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THE SOCIAL CONTRACT

Vol. II, No. 1 Fall 1991

RIGHTS TALK 62

This Quarter's Theme:

Immigration and Free Trade with Mexico

Featuring Articles by

John Culbertson	The AFL-CIO
Alan C. Nelson	Patrick Buchanan
Sidney Weintraub	James H. Walsh
Herman Daly	Richard Estrada
Dan Stein	Rushworth Kidder

PLUS ESSAYS, TESTIMONY AND REPORTAGE ON: bilingual education, a secure national identification system, European responses to more extensive immigration, and talk of rights and responsibilities in the United States.

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A STATEMENT OF PURPOSE

Just over two decades ago, concern over rapidly growing human population led to the development of the so-called "population movement" aimed at reducing the rate of population growth, both at home and abroad. At home, for a variety of reasons, birth rates fell sharply to sub-replacement levels. Immigration, however, grew steadily due, in significant measure, to the burgeoning population overseas. Today, human numbers world wide expand at about 10,000 per hour, a quarter of a million each day.

The combined circumstances of low birth rates and high immigration pressures pose for all the developed countries the three most fundamental questions of immigration policy:

1. How many of the millions who would like to come shall we admit?
2. Who will be chosen to immigrate, and what should the criteria be for choosing?
3. How shall we enforce the rules we decide upon?

THE SOCIAL CONTRACT seeks to explore and illuminate these questions, by publishing new material, and also by pulling together and reprinting existing works from many now-scattered sources. Our hope is to provide a periodical devoted to the inter-related topics of:

— **Human population** questions, including its absolute size, rate of growth, and distribution. In nations with low natural increase and high immigration, immigration is a significant component of population growth. (In an ideal world, policy on immigrant numbers would derive in large measure from an overall policy on population size.)
— **Immigration** policy, especially as it relates to the three basic policy questions mentioned above: how many, who, and how?
— **Language, assimilation, and national unity** considerations, which in large measure derive from and are driven by immigration and assimilation policies.
— **The balance of individual rights and civic responsibilities**, since, as with many issues today, population, immigration and language questions are often framed in terms of 'rights.' What is the proper balance of individual and community rights and interests?

Our method for approaching these connected issues is the time-honored concept of "The Social Contract." Most great public issues are basically moral and ethical ones: What is the right thing to do? How do we decide what we think is right? When 'rights' collide, which ones shall take precedence? The discipline of thinking through these issues in terms of a Social Contract allows one to achieve a balance: of individual and community interests; of the short and the long term; and of utopian idealism and the realities of the world we live in.

But most importantly, THE SOCIAL CONTRACT is not a detached forum for discussion in some backwater of life. Our issues are all in the forefront of public policy discussions in the United States, which is our primary focus. Our Editorial Advisors are drawn from many of the main organizations trying to influence the course of policy in the issue areas we have chosen. Our journal is one of the tools they use to raise questions, debate themes, and communicate ideas, all to encourage vigorous public debate and subsequent changes in our laws and public policies.

We invite you to join in this Great Debate by reading and contributing material to THE SOCIAL CONTRACT.

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Volume 2, Number 1 Fall 1991

EDITORIAL: IMMIGRATION AND FREE TRADE 4

FEATURE ESSAYS

U.S. "FREE TRADE" WITH MEXICO: PROGRESS OR SELF-DESTRUCTION? 7
John M. Culbertson

PUT IMMIGRATION ON THE TABLE 12
Alan C. Nelson

THE RISE OF NORTH AMERICANS: A U.S.-MEXICO UNION 17
Sidney Weintraub

GROWTH, INTERNATIONAL TRADE, AND DESTRUCTION OF COMMUNITY 24
Herman E. Daly

U.S.-MEXICO FREE TRADE: THE MISSING BORDER AGENDA 28
Dan Stein

EXPLOITING BOTH SIDES: U.S.-MEXICO FREE TRADE 31
Position Paper of the AFL-CIO

FREE TRADE AND AMERICA FIRST 38
Patrick Buchanan

REGAIN CONTROL OF THE BORDER 39
James H. Walsh

MEXICO MAY BE OVERPLAYING THE IMMIGRATION CARD 43
Richard Estrada

MEXICO AND FREE TRADE: THE ETHICAL DIMENSION 45
Rushworth Kidder

REPORTAGE

THE FRENCH IMMIGRATION DEBATE: THE SHORT, HOT SUMMER OF '91 47
Wade Graham

BLACKS MEET TO DISCUSS ENVIRONMENT: NO MENTION OF POPULATION GROWTH 53
Roy Beck, Washington editor

IMMIGRATION IN EUROPE

POOR MEN AT THE GATE 54
An *Economist* Editorial

SECURE PERSONAL IDENTIFICATION

ILLEGAL IMMIGRATION: WOULD A NATIONAL ID CARD HELP? 56
Robert Kuttner

USE OF THE SOCIAL SECURITY NUMBER AS A NATIONAL IDENTIFIER 58
David Simcox

NEW BOOK

PREFACE FROM *Rights Talk: The Impoverishment of Political Discourse* 62
Mary Ann Glendon

DEPARTMENTS

LETTERS TO THE EDITOR 6

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Immigration and Free Trade

Editorial

Trade
Free Trade
Fair Trade
Regulated Trade
Deregulated Trade
Protectionist Trade
Level Playing Field
Unfair Trade

WHAT DO THESE TERMS ACTUALLY MEAN?

Free Trade is much in the news these days yet the current debate is characterized by a lack of specificity, which is also true of many of the other abstractions we must deal with. When is the last time someone defined his terms when speaking about racism, equality, or protectionism? In our opening essay, economist John Culbertson cautions us to watch our language and make sure that our words enable thoughtful discussion.

I find it helpful to separate *inter*national from *intra*national trade. Malcolm Forbes, III, editor of the magazine that bears his family name, is in favor of *intra*national free trade, by which he means the deregulation of business within the United States. He writes of the need for "minimal bureaucratic barriers for setting up and operating businesses." He describes ours as a country which is "gradually tightening the noose around the neck of small businessmen" and refers to a "need to deregulate" which could involve "trying to slash social security and the entire domestic budget." (From IMPRIMIS, published by Hillsdale College, August 1991.)

We suspect that many people who so instinctively favor *inter*national "free" trade would not favor *intra*national "free" trade, if that meant a return to an era before we had child labor laws, OSHA, Social Security Insurance, Workmen's Compensation and unemployment insurance, health plans, environmental controls, retirement plans, ESOPs (employee stock ownership plans), profit sharing, anti-trust regulations, disclosure regulations for the stock market — and so on and on. If one would not favor such *intra*national "free" trade, why would one favor *inter*national "free" trade if, by that phrase, one means the absence of any, or only minimal, rules and regulations? Within our own country we are in favor of trade, but we want it encumbered by certain rules and regulations which prevent or mitigate economic and social damage to society, as individual commercial and industrial enterprises thrive.

Does international "free" trade imply at the extreme that there will be no rules, and that everyone will be free to get away with whatever he can? As Sidney Weintraub ably points out in our second article, there will, in actuality, be *many* rules, and the need for a bureaucracy to adjudicate them. Honest commentator that he is, Weintraub also points out some of the down sides of the proposed Mexico-US-Canada free trade pact: the loss of independence in all three countries, as trade policies push them toward common policies and practices on interest rates, economics, and political arrangements. Will the compromises tend toward the highest or lowest common denominator, given the huge disparities that exist among the three countries? It is difficult to see how the United States' internal rules of the economic game, regulations built up carefully over the years, could survive the pressures of competition with Mexico's Third World economy. Put another way: if these same restrictive rules are applied to US-Mexico trade, will it not look much less advantageous? Or yet another view: does Mexico's comparative advantage consist chiefly in the absence or weakness of such regulations, as well as in the abundance of cheap labor?

Admittedly, trying to negotiate a "regulated" trade agreement (to use Culbertson's phrase) with Canada and Mexico wouldn't lend itself to sloganeering as well as does "free" trade. The goal is not abrogation of the sovereignty of any of the three nations, nor the donation or sacrifice of one to the interests of the others. It's the good old-fashioned

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reduction of tariffs, while still respecting the interests of all parties and trying to arrange mutually beneficial pacts, all within the context of written treaties, rules, regulating bodies, and so on. These arrangements might be called many things, but "free" isn't one of them — at least not in the libertarian, get-the-government-off-my-back sense of the word.

As to protectionists, I confess that I am one. I want to protect our air and water — and *theirs* too — and won't hold still for the out-of-sight, out-of-mind approach to environmental problems. I want to protect the workers. In the small Michigan town where I was raised, the local stamping plant was nicknamed the "Finger Factory" since so many workers left their fingers behind. As a surgeon and piano player, I have a high regard for fingers, and will do whatever I can to protect them, even if it means putting up with OSHA and its myriad rules and vexations.

I also want to protect children from the conditions our child labor laws put an end to earlier in this century — their children, as well as ours. And I would like to protect the Canadian, Mexican, and US social, political, and cultural experiments so that they can continue to evolve independently. I do not want to see them all homogenized by some economic version of the Cuisinart. Will someone vilify me as a protectionist?

We hope this issue of *The Social Contract* will help us over the linguistic hurdles that surround the free trade question. We have thoughtful pieces by another dissenting economist, Herman Daly, on the risks of free trade, and by former INS Commissioner Alan Nelson on the need to make immigration policy an explicit part of the discussions. We need to have clearly in mind that the European Economic Community (EEC) *started* with the premise of fusing populations within a common external boundary, secured by a common machine-readable passport, and that workers from any of the twelve countries would be free to seek employment anywhere within the EEC. Do we want this for North America? In this connection see, on page 36, the proposal that Mexico made at the Uruguay round of GATT talks relative to reporting service workers.

In addition to the articles mentioned above, we present stimulating pieces by the AFL-CIO, and by Rushworth Kidder, Richard Estrada, and Dan Stein. These deal respectively with labor's viewpoint, ethical considerations, the Mexican political background, and the immigration-related factors that *should* be included in any discussions of regulated trade between the US and Mexico.

We round out the issue with reports on other aspects of our stated purpose: immigration, population growth, language/assimilation, national unity, the environment — all viewed through the lens of a social contract.

John H. Tanton
Editor and Publisher

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Letter to the Editor

Editor:

In the Spring issue of *The Social Contract*, Dan Walters of the *Sacramento Bee* and Judy Kunofsky of the Sierra Club comment on California's high population growth and how to deal with this threatening problem. I admire both of these people but I find their suggestions negative and unduly cautious. Walters takes a most draconian view as if he were deliberately trying to frighten people from even discussing the subject. Judy explains the political hangups with her customary astuteness but fails to make a specific proposal.

It is inconsistent, if not major hypocrisy, when our "leading environmentalists" in the Legislature, the California delegation, and the numerous environmental organizations simply go on about their business (which seems principally to be raising money) with no official concern whatever for the continuing high population growth and the increasing and irrevocable damage to California. I am particularly appalled at the senior Democratic members who present themselves as environmentalists. They have completely ignored the country's population problem and have voted for large increases in immigration in recent years. I fear they will be remembered as the leaders who presided over the destruction of California.

The polls indicate that a majority of Californians oppose a continuation of population growth. Why are we not engaged in an official discussion of this most critical issue? Surely economists can give us some idea of the consequences of slower or zero population growth. There are examples: Germany and most of the northern European countries have stopped growing. In any case there is no alternative but to act promptly against a continuation of population growth. Otherwise, what will we be leaving for our children?

An official discussion would also bring up the important question of a 'national population policy' which we badly need. California has been treated unfairly. We get most of the immigrants, and the government, after increasing immigration, gives us very little help in proportion to the problem. Most of the elements of a population policy were thoroughly studied by the Commission on Population Growth and the American Future in 1972. [See Editor's note below.] The recommendations produced by the Commission anticipated the problems of families and children which we now experience.

Of critical importance in discussions of population policy is a realistic position on immigration. We must drastically reduce immigration into the US and greatly increase our effort and that of all the industrialized countries to help the Third World with its population problem. Birth control must be the new priority in foreign aid.

The Population Commission also recommended that the government provide incentives for business to expand employment opportunities in the smaller communities of the Midwestern and Mountain states which have the resources and the economic need for additional population. California has neither.

It is dangerous folly to insist that high population growth is necessary to drive California's economy. This is not a very constructive policy when it is destroying the very basis of our social and economic health, namely, land, water, and clean air.

Population growth is the most critical of all of our environmental and social problems. The environmental movement is irresponsible in ignoring this glaring danger which will obviously nullify all of its good efforts.

The Sierra Club must lead an effort to make 'overpopulation' the paramount environmental issue. It should urge all other environmental organizations to join in a coalition to fight for a national population policy.

I think the environmental movement is stalled. Unless it confronts the population problem then what possible future can we have?

Jack Himmelwright
Belvedere CA

[Editor's note: *The winter issue of our journal will feature articles analyzing and updating the report of the Commission on Population Growth and the American Future on its twentieth anniversary.*]

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John M. Culbertson is emeritus professor of economics at the University of Wisconsin-Madison. He has long been a 'doubting Thomas' on glibly promoted 'free' trade, to the irritation of the economic fraternity where such challenges are definitely not politically correct. His most recent book on the topic is The Trade Threat and US Trade Policy. *In this article he encourages us to use, and think in, different terms when discussing globalization and foreign trade.*

US "FREE TRADE" WITH MEXICO: Progress Or Self-Destruction?

By John M. Culbertson

Depending on the world-view and vocabulary used to depict it, US free trade with Mexico can seem anything from an obviously progressive step to an action ruinous to the United States and damaging to human prospects. The favorable interpretation now prevailing in both the political right and left in the United States proves, on consideration, to reflect a misleading conceptualization of the subject arising from a fashionable utopian ideology.

Seeking the truth on this subject thus requires first its depropagandization. The valid name for what is called "free trade" is "foreign trade not subject to regulation by the nation's government," that is, mandatory deregulation of the nation's foreign trade — like deregulation of its savings associations, banks, airlines. The valid name for what is called "barriers to trade" is "regulation of trade." The misleading labels present an image of regulation of foreign trade as unnatural and inherently destructive, a crime against the ways of the world. In truth, foreign trade has always been regulated by governments.

The human world always has been made up of many independent, or "free," tribes, kingdoms, empires, or nations. Preserving this structure of human life requires the regulation of foreign trade. Unregulated foreign trade undercuts the independence of nations, prevents their developing along different paths. In the absence of effective supranational government, the deregulation of foreign trade leaves mankind adrift, its diverse and discordant societies merged into impotence, dropped together into a single pot, with no government at any level that is capable of preserving a civilized level of life or preventing the destruction of the earthly habitat. Far from being obviously correct, unregulated foreign trade is revolutionary; fashionably but irresponsibly revolutionary.

The free-trade fable exercises its mind-ruling power by exploiting the human weakness for making issues a struggle between Good and Evil. It provides a stereotype of regulation of foreign trade as "protectionism," depicted as "import restrictions that damage the nation and the world but are imposed through the power of evil 'special interests'." The evil "protectionists" are portrayed as acting out of anti-social selfishness or of racism, an urge to bash some nation, or a show of indifference to foreign poverty. In the Good-versus-Evil conceptualization of foreign trade, protectionism/the Evil, commonly is depicted as the only option other than free trade/the Good. President Reagan's consistent characterization of his trade policy for the United States as one of "fighting protectionism" illustrates the pattern.

Is it true that the only options on foreign-trade policy are free trade *or* protectionism? The trade policy, through which Japan took over valuable US markets, industries, and jobs through one-sided foreign trade, ran huge trade surpluses with the US and become large owners of US properties — is this free trade or is it protectionism? Of course, the answer is neither — neither the answer for Japan nor for most other nations. In reality, there are many kinds of trade policy available.

Posing the choice as "free trade *or* protectionism" illustrates a basic technique in the manipulative use of language, the misstated either-or, as in Hitler's proffered choice: Nazism *or* Jewish communism; Stalinism's idealized socialism *or* Satanic capitalism. The stereotype of protectionism functions as a contrived Evil to be paired with free trade as the Good. Given the effectiveness with which such propagandistic use of language has been analyzed by Hayakawa and others, it is surprising that self-respecting Americans across the political

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spectrum, both Ronald Reagan and the editorial writers of *The New York Times*, rely on it to support the deregulation of foreign trade — with no consideration of the actual effects of alternative trade policies. Economists commonly use the same conceptualization, contrasting the negatively stereotyped protectionism with misleading examples in which unregulated foreign trade automatically brings the best of all possible worlds — examples that do not correspond to evidence and experience.

"Keynes recognized...that unregulated foreign trade...subordinates the goals, standards, powers of the nation to the interests of private parties in all nations."

Thus, to consider alternative trade policies in terms of their *effects* requires escaping from the whole system of deceptive stereotypes that dominates US discussion of the subject. A realistic consideration of the effects of alternative systems of foreign trade can well begin with the observation of the great liberal economist, J. M. Keynes ("National Self-Sufficiency," *Yale Review*, 1933) that the system of foreign trade must be chosen to fit the political, economic, social, and international-relations realities of the times. Keynes, deploring his own zealous earlier support of the free-trade doctrine, pointed out that it made no sense to attempt to bring about *laissez-faire* foreign trade in the political and economic world of the 20th century — whether or not it would have been reasonable in an earlier era.

Keynes recognized the all-important point that unregulated foreign trade implied "economic entanglement among nations." Unregulated foreign trade subordinates the goals, standards, powers of the nation to the interests of private parties in all nations. Deregulating its foreign trade costs a nation its freedom of action, its effective independence, its ability to chart its own course and to learn its own lessons from its successes and its failures.

The nineteenth-century vision of world-wide deregulation of foreign trade in the context of universal economic *laissez-faire* thus had no applicability to the political and economic world that arose from the First World War, in which nations explicitly adopted different theories, ideologies, and policy goals. The political and economic situation of the 20th century required policies that could bring about constructive, mutually beneficial patterns of foreign trade among independent nations operating under different political and economic agendas and goals. "We do not wish, therefore, to be at the mercy of world forces working out...some uniform equilibrium according to the ideal principles, if they can be called such, of *laissez-faire* capitalism. We wish...to be our own masters and to be as free as we can make ourselves from the interferences of the outside world," wrote Keynes.

"I sympathize, therefore, with those who would minimize, rather than with those who would maximize, economic entanglement among nations. Ideas, knowledge, science, hospitality, travel — these are the things which should of their nature be international. But let goods be homespun whenever it is reasonably and conveniently possible, and, above all, let finance be primarily national. For these strong reasons, therefore, I am inclined to the belief that...a greater measure of national self-sufficiency and economic isolation among countries than existed in 1914 may serve the cause of peace rather than otherwise."

Keynes noted that any loss of production efficiency from maintaining a nation's economic independence was in many cases small or trivial — and that the existence and amount of any such "inefficiency" depends on circumstances and cannot be inferred from ideologically-biased "principles": "Experience accumulates to prove that most modern processes of mass production can be performed in most countries and climates with almost equal efficiency."

In Keynes' valid conception of "efficiency," for example, shifting the production of telephones for the US market from a factory in Louisiana to an identical factory in Thailand does not increase efficiency; it reduces efficiency but is profitable because it replaces high-income labor with low-income labor. Shifting world manufacturing production from high-wage to low-wage nations does not increase efficiency and world output. An increase in the volume of world trade of this type is not progress; it may be ruinous.

Foreign trade of genuine efficiency would provide the means of permanently benefitting both

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nations rather than temporarily benefitting one nation at the expense of the other. In real-world conditions, such efficiency-based and mutually beneficial patterns of foreign trade are ordinarily attainable only on the basis of a set of constructive trade policies. That the basic distinction between efficiency-based, beneficial trade and level-the-nations-downward trade has been lost in recent discussion, even by most economists, perhaps must be explained by the dominance of propaganda in the discussion of foreign trade, which has hidden even the most basic causal relations.

Keynes thus favored a system of regulated foreign trade that would work constructively in a world of free and independent — non-globalized — nations. That is, he favored a system of constructively regulated foreign trade, which is not so-called "free trade" and is not so-called "protectionism." But historical accidents put the path of opinion and events since the 1930s under the domination of a massive US attempt to implement a peculiar version of world-wide "free trade."

The intellectual and political father of this movement was Cordell Hull, the US Secretary of State from 1933 to 1944. The rationale of Hull's pursuit of deregulation of foreign trade differed from the now-dominant one. Having conceived as early as 1916 that "unhampered trade dove-tailed with peace; high tariffs, trade barriers, and unfair economic competition with war," Hull and his US State Department developed the concepts and the program that still underlie the US campaign for the deregulation of foreign trade to attack not an alleged economic inefficiency of "protectionism" but asserted war-causing effects of international economic rivalries and "trade wars."

Hull was able to gain acquiescence in his version of foreign-trade deregulation during the temporary US dominance of the world at the end of the Second World War. Keynes never supported Hull's approach, referring to "the lunatic proposals of Mr. Hull." Had Keynes' view governed the postwar arrangements for foreign trade, international economic and political developments would have taken a quite different course. It was not the inexorable march of progress but a curious set of circumstances that brought the world-trade situation to its present crisis.

Patterns of trade that benefit both of the nations involved do not arise naturally from the profit-seeking dealings of private parties of all nations. Mutually beneficial foreign trade requires a constructive framework of national trade policy that (1) prevents out-of-balance or one-way trade that shifts industries, jobs, and economic ownership from a trade-deficit to a trade-surplus nation, (2) prevents the shifting of the industries with bright futures to one nation thus leaving to the other nation only the declining and low-pay industries, (3) prevents nations from being damaged by instability imposed by the trade, such as the "dumping" of goods in a foreign market below production cost to weaken its industry and take over its market, (4) prevents the pattern of trade from unduly undermining the independence and defense capabilities of the nation, and (5) avoids the one-sidedness of trade benefit that arises when the trade on one side is arranged on behalf of the nation by its government and on the other side is handled by firms that are competing against one another in pursuit of private profit.

"The Free Trade/Good-Protectionism/Bad view of foreign trade thus has caused enormous mischief."

The foreign-trade arrangements arising from the Hull approach were not aimed at these goals. They proved to thwart their achievement. Hull's effort to reduce average tariff levels and trade "discrimination" (in a peculiar sense) through the "most-favored-nation" policy prevented the development of managed, mutually beneficial patterns of trade between nations in different circumstances. In this approach, if the United States, say, made a certain trade concession to Mexico in order to work out a balanced and mutually beneficial pattern of trade with Mexico, the United States (to avoid "discrimination") would have to offer the same concession to Japan and other countries that already had large trade surpluses with the US.

One epoch-making "side effect" of the Hull-structured trade policy was to cause the United States to acquiesce year after year after year in a ruinous pattern of one-sided, one-way-benefit foreign trade that permitted its all-important home market for the

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rewarding-to-the-nation industries of the times to be taken over by other nations, largely on the basis of their low-wages, minimal regulations and social standards, and government management of their foreign trade. The economic decline of the United States would not have occurred as it did under a foreign-trade system that paid attention to the effects of the *patterns of trade* and provided means for nations to arrange mutually beneficial patterns of trade.

The Free-Trade/Good - Protectionism/Evil view of foreign trade thus has caused enormous mischief. It has the world headed for worsening problems. Low-wage and low-labor-standards nations around the world expect to advance themselves by taking over rising shares of the US market, which is shrinking as a result of the trade-caused economic decline of the United States and its standard of living. The foreign-trade system is headed for crisis — a crisis that should have been easy to predict, but will be far from easy to cure.

A factor curiously neglected in recent trade-policy discussion is the radical effect on the process of rise and decline of human societies that would be caused by the entanglement, amalgamation, or merger of nations resulting from the deregulation of foreign trade. It now is widely understood that the basis of constructive organic, organizational, and societal evolution is diversity, variety, copious experimentation, multiple trials in the trial and error of the evolutionary process. Advancement — perhaps even survival — requires enough variety of experiments to generate some successes. Of the human societies of the present era, many have recently conceded failure and others seem to be headed for it. But human civilization has a future *so long as there are some successes — some societies that meet the short-run and long-run requirements of their environments, providing patterns that can be copied or adapted by the failing societies.*

Biologists argue that the survival of even an obscure species of owl may be important for mankind because it affects the earth's biological diversity. How much more important it must be that there exist a large and diverse set of human societies, exploring different developmental paths, demonstrating "what happens if...," providing patterns of success that can be used to repair failures and potential extinguishments of other societies. But because trade policy is discussed within misleading verbal stereotypes, these profound implications are not recognized to exist.

It is clear — as, again, Keynes took for granted — that nations that give up their power to regulate their foreign trade, in general or with particular nations, give up their independence of action and control of their future course of development. The actual implementation of "free trade" would replace many, diverse, nation-guided societal experiments with a single global experiment that presumably would be guided by no effective government.

"On a planet critically threatened by human overpopulation...the prospects of mankind as one single, globalized experiment are dismal."

One critically important consideration is that under a "global economy," "one world," or the rule of "free trade," the effects of overpopulation-caused poverty and joblessness would fall not on the society that causes the problem but on all nations, as competition shifts capital and production to the nation with the lowest labor-cost. In a world of independent societies, the failure of any one does not drag down the others. The failures can turn themselves around by copying the successes. In a world of one "global economy," failures anywhere drag all downward. The expected result is universal failure and degradation. On a planet critically threatened by human overpopulation, habitat destruction, and governments too weak or delusion-based to preserve the habitat and standard of living, the prospects of mankind as one single, globalized experiment are dismal.

Most recent discussion depicts the "the global economy" or "one world" not as bringing all-eggs-in-one-basket human failure, but as fighting "nationalism" which is stereotyped as based on bigotry, racism, hatred, selfishness, or anti-progressiveness. Once again, the purported choice — 'aggressive, bigotry-based nationalism,' (the Evil) *or* 'global economy,' (the Good) — misstates the options that are available. Neither "aggressive nationalism" nor "the global economy" is a course

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that merits serious consideration. Success can be gained only by escaping from such misleading stereotypes (which seem rooted in their own bigotries) and realistically defining the available policy options and their expected outcomes.

The economic merger of, or free trade between, two nations makes these nations subject to the downward-levelling effect of unregulated foreign trade, diminishes national independence and diversity, and undercuts the capabilities of both national governments while providing no new forms of government to take their place. In such cases, the first-stage outcome depends on the compatibility of the two societies that enter into the economic-political merger or partnership. The more alike they are the less there is to be lost in world societal diversity and in detrimental effect on one or both nations. Thus, economic merger of the US and Canada is much less threatening than that of the US and Mexico, or the US and China, or India.

The US and Mexico differ widely in political tradition, ideology, government structure and performance, severity of overpopulation and excessive population-growth, unemployment, low-wage production, worker-protection standards, child labor laws, environmental protection attitudes and policies, cultures, values, viewpoints and language. Free trade and economic, political, cultural, social merger between two countries as different and disharmonious as these cannot be justified on the basis of an experience-based, cause-and-effect analysis of the likely effects. The conceivable gain is, at best, trivial in relation to the conceivable loss, which is almost beyond imagining. Any real potential gain from trade between the nations could be tapped through managed and mutually beneficial trade that preserved the independence of the two nations and threatened no ruinous outcome.

The damage done by a trade-deregulation merger of two nations need not fall on them equally. Nations with bright prospects have more to lose than those with dismal prospects. Mexican workers might seem certain, at least temporarily, to gain (at the expense of American workers, and of a rising role of American capital in Mexico) from the shift of production, jobs, industries, capital from the US to Mexico because of cost-savings from lower wages and less stringent regulation of child labor, worker protection, and working conditions. But when the discordant nations sat down to, as it is put, 'harmonize' their laws and policies in a way that is satisfactory to their diverse constituencies and found how little agreement and how much conflict exists, it would become clear that while each nation alone had a chance of finding a path to success, in their joint harness they could not agree on any path that would meet the requirements of the times and achieve success.

As the United States, despite its recent lack of realism and its self-destructive policies, still must be counted among the nations that might generate patterns of success that merit copying by other nations, it would diminish the hopes of mankind for the US to enter blindly into nation-mergers that would remove it from the potential contributors of patterns of societal economic success. From the viewpoint of Americans (except perhaps of some capitalists) US merger with Mexico — or with almost any other nation — would be insane.

Thus, the pursuit of "free trade," "a global economy," and US "free trade" with Mexico seem (1) a grand and inspiring program for progress when viewed within the stereotypes now dominating US discussion but as (2) a uniquely destructive human folly when viewed within the framework of cause-and-effect analysis.

Where are the voices of those who understand the second view? Is the Congress to commit the nation's future without even an awareness that this view exists?

Extricating nations from the collapse of an ideology-based, deeply-embedded economic structure that proves a failure is being shown by the cases of collapsing Marxist communism to be very difficult and of uncertain outcome — even when models of success are available to be copied. If the United States, beguiled by its misleading stereotypes of utopian individualism and anti-nationalism, blind to the effects that actually will follow (and have followed) from its actions, commits itself, and pushes other nations, to an ungovernable, all-the-human-eggs-in-one-basket structuring of mankind in a rapidly deteriorating and increasingly overpopulated earthly habitat, the prospects of recovering from the collapse of this structure will not be favorable.

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The Bush administration has announced that in the course of the so-called "fast-track" negotiations of a free trade agreement with Mexico the issue of migration will not be on the table. Alan C. Nelson, Former Commissioner of the Immigration and Naturalization Service, protested this stance in a statement before the Office of the US Trade Representative at a hearing on the subject held in San Diego, CA on August 21, 1991.

Testimony

PUT IMMIGRATION ON THE TABLE

By Alan C. Nelson

The central point of this testimony is that *immigration issues must be dealt with as an integral part of Free Trade Agreement negotiations with Mexico.* Both legal and illegal immigration directly relate to trade and the US must insist on certain definitive actions and agreements before an FTA is reached. This testimony does not support or oppose an FTA as long as immigration issues are "on the table."

PERSONAL BACKGROUND

My background should be noted. I served as US Commissioner of the Immigration and Naturalization Service (INS) from 1982-1989, as an appointee of President Reagan, confirmed by the US Senate. As chief executive officer of the INS I had prime responsibility for US immigration laws. I was the key Reagan administration official responsible for the development, passage and implementation of the landmark Immigration Reform and Control Act of 1986 (IRCA).

During my eight-year tenure as Commissioner I had extensive dealings with both Canadian and Mexican officials. I made numerous official trips to Mexico, meeting with a wide range of leaders, including the former President, Foreign Minister, Attorney General, and Mexican Senate and Congressional leaders. Such meetings dealt with immigration, drugs and other law enforcement issues. Although immigration issues are complex, the personal working relationships were excellent.

Currently I serve as a consultant to the Federation for American Immigration Reform (FAIR). FAIR is a non-profit organization based in Washington, DC, dedicated to educating the American people about the need to stop illegal immigration and for reform of American immigration policy to conform with the realities of the 1990s.

IMMIGRATION ISSUES MUST BE NEGOTIATED AS PART OF A FREE TRADE AGREEMENT

Is a Free Trade Agreement with Mexico in the best interests of the United States? Proponents claim that a new Western Hemisphere order will be created and that vast new markets will be opened up. Opponents assert that millions of US jobs will be lost to low-cost Mexican labor.

Strangely, *immigration is not discussed.* How can two neighboring countries with a 2,000 mile common border, a combined population of over 300 million people, and an annual flow of legal and illegal entrants in the millions, not openly deal with the subject of immigration?

President Salinas of Mexico repeatedly has stated that free trade will prevent a large scale migration of Mexicans to the US looking for jobs. He emphasizes that "Mexico wants to export goods and not people". If Salinas is correct, a strong argument is made for an FTA. If not, the US could lose jobs both because of free trade and increased illegal immigration from Mexico. Since both countries agree that migration is an important "bottom line" matter, the US and Mexico must place immigration issues "on the table" in talks leading to a Free Trade Agreement.

Consider the impacts of Mexican immigration on the US. In 1990 some 679,000 Mexicans legally immigrated to the US. This figure is ten times the total from the next largest sending country, the Philippines. An additional 2 million Mexicans were granted legal status in the US under the amnesty program in the late 1980's. Legal border travel between Mexico and the US totaled some 274 million in 1990.

Illegal immigration from Mexico steadily increased over the years but was dramatically reduced between 1986 and 1989 due to passage of

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the Immigration Reform and Control Act (IRCA) in 1986. However, illegal flow has increased in the past two years, again exceeding 1 million annually. Illegal aliens impact not only the US job market but other aspects of society such as welfare, crime, education and the environment. Such impacts cause negative financial burdens on the US, as Governor Pete Wilson of California recently noted, as his state deals with a budget crisis.

[*Editor's note: Since the passage of IRCA in 1986, world population has been increasing by 90 million a year, so the push-pressure on immigration has increased by 5x90=450 million.*]

The issue of environmental concerns relating to FTA presents an interesting comparison. Only due to public outcry that environmental issues directly impact free trade have the Bush and Salinas Administrations promised to deal with the subject. A similar demand is hereby made that negotiators deal with all aspects of immigration (both legal and illegal).

"If sanctions should be repealed, or not enforced...a very dangerous signal would be sent...that the US is no longer serious about controlling illegal immigration."

IMMIGRATION ISSUES TO BE ADDRESSED

1. Jobs

The outcry about the job issue from the AFL-CIO and other labor groups has caused the Bush Administration to promise to address job re-training. However, there must be an unequivocal commitment to address thoroughly *all* aspects of jobs (relocation, transfer, wages, working conditions, flow of labor, re-training, etc.) in trade negotiations.

Action by the Bush Administration is necessary as a prelude to trade talks to demonstrate that it is serious about the job issue. We must immediately take steps to "transfer" jobs currently held in the US by illegal aliens (probably 2 million jobs) to citizens and aliens lawfully in this country.

President Bush, when Vice President, supported IRCA, which became law in 1986. The keystone of IRCA was employer sanctions. Every US President from Harry Truman forward has favored sanctions as the only viable means to reduce the magnet of jobs drawing illegals to the US. Sanctions worked, cutting illegal alien flow in half from 1987-1989. Now the numbers are again increasing due to use of fraudulent documents and less vigorous enforcement.

If sanctions should be repealed or not enforced, as a few groups propose, a very dangerous signal would be sent to Mexico and elsewhere that the US is no longer serious about controlling illegal immigration. The resulting expansion in illegal flow would further reduce US jobs. This, of course, is in addition to any loss of jobs resulting from a free trade agreement.

The Bush Administration must take several immediate domestic steps regarding jobs.

(a) **Maintain and strengthen employer sanctions.**

The President should notify Congress that employer sanctions are essential and that any effort to repeal or weaken sanctions will be opposed and defeated.

(b) **Improve worker identification systems.**

When IRCA was passed in 1986, Congress and the Administration recognized that use of fraudulent documents to verify eligibility to work could undercut the law. The commitment to pursue pilot projects for improved worker ID has not been met. The technical capability exists (as the public sees everyday in its use of credit cards) to have a fair and secure system of verifying a person's right to work in the US. It is now time for Congress and the Administration to meet the commitment.

(c) **"Transfer" illegal alien jobs to legal US workers.**

In this time of recession, with unemployment at high levels and welfare costs growing, many legal US residents need jobs. Taxpayers demand action to reduce growing deficits.

Jobs typically held in the US by the estimated 2 million illegal aliens now working here include the service industry — hotels and restaurants, construction, garment and agriculture. Many of these jobs are entry level or do not require extensive prior work experience. These are exactly the jobs which can be filled by persons receiving welfare or other benefits. If 2 million jobs are "transferred" from illegal to legal workers, several benefits can be realized: the

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magnet of illegal immigration can be stopped; welfare and unemployment costs can be reduced; and people will be shifted from dependency to productive future lives.

Through administrative action, the Department of Labor can utilize existing job training funds to accomplish this "transfer." Employers who cooperate in hiring legal workers in place of illegals could be freed from penalties. Congress can enhance this process by amending current laws to mandate this multi-benefit "jobs transfer" approach.

In addition to the obvious benefits of keeping illegals from taking US jobs, the message for trade negotiations is clear. We let the American public and Mexico know that jobs are an element to be dealt with before there can be a free trade agreement. This includes both the assurance that potential job "relocation" from the US to Mexico will be addressed and that illegal alien labor will not be tolerated in this country.

2. Border crossing fees.

With the millions of annual land border crossings between the US and Mexico, a nominal crossing fee would generate huge revenues for both countries. Such fees could actually increase legal travel and commerce, since border traffic and processing delays could be reduced with the addition of more staff and equipment. This also would result in better prevention of entry of illegal aliens, narcotics and other contraband.

The concept of funding government services by "user fees" is gaining acceptance. Such fees already fund airport inspections and other Immigration and Naturalization Service functions. It is common for people to pay bridge tolls or turnpike fees. Yet in travel across the US-Mexican land border there currently are no fees unless one crosses privately owned bridges.

The argument that such border fees would reduce commerce or travel is without merit. The argument that such fees would be considered anti-Mexican fails with the simple proposition that fees should be shared by both the US and Mexico.

By way of example, a fee of $1 per border crossing both ways (the same toll currently charged for a round trip bridge crossing between San Francisco and Oakland) would generate hundreds of millions of dollars in revenue per year. The US share could fund thousands of additional immigration and customs inspectors, border patrol agents and other officials. Such funds could also be utilized to obtain high tech fingerprint readers and detection devices to help assure only legal entry of people and products.

On the Mexican side the infusion of such additional funds can fund even more jobs which could be used for many purposes including patrolling the border to reduce robberies, rape and violence. Some of these collections also could be used to pay for the return travel of Mexicans apprehended at the border to their interior homes.

3. Return of illegal Mexican entrants to their homes.

The great majority of Mexicans resides in the interior of Mexico, thousands of miles from the US border. After being apprehended attempting to enter the US, such illegal entrants should be transported back to their interior homes rather than being released across the border, only to repeat illegal entry into the US until they succeed.

"Often a 'coyote' will guarantee successful entry or at least a number of attempts. ...people are encouraged to stay in the border area and persist in their efforts to enter the US illegally."

A typical scenario is that a person from the interior of Mexico spends his savings to purchase a one-way bus or train ticket to Tijuana. The purpose of the trip is obvious and it is not for a special hotel vacation on the Pacific! The balance of funds are spent to pay a smuggler (or 'coyote') to accomplish the illegal entry. Often a coyote will guarantee successful entry or at least a number of attempts. Therefore, people are encouraged to stay in the border area and persist in their efforts to enter the US illegally.

This phenomenon must be reversed to slow illegal immigration effectively. The best method is to transport the apprehended back to their homes in the interior of Mexico. This approach was successfully utilized in previous times. Boats transported illegal entrants from Brownsville, Texas to Vera Cruz.

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Trains and buses left border areas of California, Arizona and New Mexico for various interior Mexican locations. Even aircraft were utilized on occasion.

The impact is obvious. People are returned to their homes, reunited with their families. The cost and difficulty of another long trip to the border is a significant deterrent. With fewer crossers congregating at the borders, more attention can be paid to arresting and incarcerating smugglers and those making repeat illegal entries. This increased effectiveness is a further deterrent since the chances of successful entry are reduced.

As part of any free trade agreement, the US and Mexico should agree to reinstate such a "return-home" program and pay for it from border crossing fees. Our countries also must commit to enhancing law enforcement efforts on both sides of the border.

"It is in neither country's interest to tolerate violence against human beings."

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4. Border violence.

It is in neither country's interest to tolerate violence against human beings. Yet there is significant violence along the border, mostly perpetrated by Mexican national bandits against fellow Mexicans. The rapes, robberies, murders and drug trafficking negatively impact legal border commerce and travel. Part of any free trade agreement must include specific commitments by both Mexico and the US for more intense and effective law enforcement cooperation to prevent such criminal activity.

5. Mexican commitment to reducing illegal immigration.

The concept of a free trade agreement is to open up markets, jobs and opportunities for citizens of both countries. This must be done legally. Therefore the illegal back door, whether it be to people or to products, must be closed to assure that the legal front door is open. The US must insist, as part of a free trade agreement, that Mexico actively take steps to control illegal immigration to the US. No one is suggesting that the Mexican government limit its citizens right to travel, but many steps can be taken, including those discussed herein: enhanced border law enforcement, a "return-home" policy, incentives for working in Mexico, and reduction of legal immigration numbers should illegal flow not be reduced.

6. 'Debit' against legal immigration.

As noted, the legal permanent immigration from Mexico to the US is far larger than from any other country. This is healthy for two neighbors and reflects our continued close relationship. But the increasing illegal flow causes problems. As an incentive to assure efforts to reduce illegal flow, trade negotiators should consider some 'debit' to annual legal immigration numbers if there is not a concomitant reduction in illegal flow over a reasonable period of time. While this approach is not easy, it can assure the mutual philosophy of "Legal — si; illegal — no."

7. Physical barriers to illegal entry.

The US citizenry properly reacts negatively to walls or fences when they are viewed as restricting the right of a citizen of any country to depart legally. This concept should not be confused with reasonable barriers to prevent *illegal entry*. People fence their yards, buildings have gates and security devices, walls and fences prevent improper access to highways and canals.

Today there is fencing along the Rio Grande River and other border locations, not only to prevent illegal entry but to avoid death and injuries. Reasonable physical barriers along the border at key crossing areas can assist in requiring legal entry, limiting illegal entry and reducing injuries.

While the US-Mexico Border is 2,000 miles long, most of that border is seldom crossed due to geography and lack of population. Nearly all legal and illegal crossings occur over about a 50 mile span, divided among the various border cities. Effective border crossing ports, adequately staffed and maintained, can control legal traffic of people and products. Enhanced border patrol staff plus utilization of effective devices such as lighting, sensors, ditches and other barriers in that 50 mile span can help slow the entry of both illegal aliens and illegal drugs and contraband. Note that such barriers are only of value as part of overall policies and methods to stop illegal entry. Such barriers must

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be one of the immigration items discussed in free trade negotiations. Both countries should agree on and announce general approaches in order to avoid the rhetoric of a few groups on both sides of the border which intentionally distorts the issue.

CONCLUSION

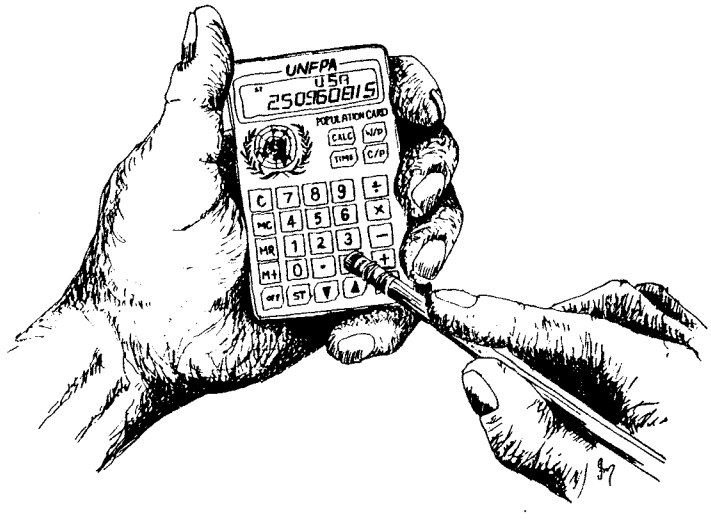
The proposed Free Trade Agreement between the United States and Mexico has great significance. It is essential for both countries to be thorough and open in negotiations. No issue can be ignored. It is in our mutual interest to face all the difficult problems up front — otherwise much greater consequences will arise later.

Immigration, both legal and illegal, both permanent and temporary, between Mexico and the US is inseparably tied to trade, commerce and investment. A sound immigration relationship builds our mutual friendship and inter-dependence. Closing the back door of illegal immigration helps the US job picture, will prevent an increase in illegal Mexican immigration to the US and will solidify a legal system of immigration.

If the US fails to insist that immigration be dealt with in free trade talks, we will be the losers on several fronts: some US jobs will be lost by reason of the agreement itself; illegal flow will increase irrespective of an agreement; Mexico will have no incentive to limit its actions to the terms of an agreement, always having the safety valve of illegal US jobs to supplement its economy.

The Bush Administration must put immigration "on the table" in free trade talks with Mexico. Otherwise the American public and Congress must say "no deal".

* * *



A Correction

We had a note from reader Jack Parsons in Wales, UK, who questioned the statistics we used while demonstrating the U.N. Population Card in the summer issue of **The Social Contract.** ***And, indeed, he is correct that we should not have said that there are (according to the card) 8,640 births in Bangladesh every 24 hours. Instead, there is an excess of 8,640 births over the number of deaths in that country each day.***

The United Nations Population Card is available for $21 postpaid from: U.N. Population Fund, File PCMFSO-Population Card, 220 East 42nd Street, New York, NY 10017.

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For our feature series on the proposed US-Mexico Free Trade Agreement, we're pleased to present the views of Sidney Weintraub, Dean Rusk Professor at the Lyndon B. Johnson School of Public Affairs, The University of Texas at Austin. While Dr. Weintraub favors some such agreement, he fairly points out some of the difficulties and possible entanglements, especially as they relate to immigration, language and culture. His essay is reprinted with permission from The Responsive Community, *Vol. I, No. 3, Summer 1991.*

THE RISE OF NORTH AMERICANS: A US-MEXICO UNION

By Sidney Weintraub

While the founders of the European Community used trade integration as a way to achieve political harmony, the Canada-US free trade agreement seeks trade integration but eschews any significant political content; it even expressly excludes certain cultural industries. The proposed US-Mexico free trade agreement will almost certainly stick to economic matters, with perhaps a nod to environmental issues, but without reference to political or cultural ones. Nevertheless, the US-Mexico trade agreement will have profound political, social and cultural implications for the future of North America.

Free-trade arrangements are often chosen precisely because they have less political content than does a customs union, because there is no obligation to establish a single external tariff or to devise a common commercial policy. However, it is worth asking whether this formal distinction will actually make a difference if a US-Mexico free-trade area is created. Just how limited will the derogation of sovereignty be, particularly as habits of free trade and of industrial production-sharing develop over time?

It has now been decided that the free-trade negotiations will be trilateral, to include Canada from the outset. Once the three countries are engaged in free trade (possibly with some differences in the obligations undertaken by each), some sort of secretariat will be needed to interpret provisions of the agreement, to set forth regulations, and to resolve trade conflicts. This is not supranationality, but it does supersede pure sovereignty of the three countries involved. This new arrangement will become a magnet attracting other countries in the Western Hemisphere seeking non-discriminatory access to this large market. Mexico will be preferred to hemispheric countries without such access as location for foreign investment and for the kind of production-sharing that is increasingly becoming the norm among multinational corporations. Such extensive free trade will require an even more elaborate secretariat and begin to push toward supranationality.

Moreover, the US southwest, which includes two of the most populous states in the United States — California and Texas — is already heavily Latin American. This results from a combination of legal and undocumented immigration, amnesty for millions of previously clandestine immigrants, and a natural rate of demographic growth greatly exceeding that of the Anglos. A free-trade agreement with Mexico will not entail completely free movement of labor, but it is likely to permit relatively easy movement of technical and managerial personnel, as in the Canada agreement. Mexican migration to the United States, particularly to the southwest, is unlikely to taper off in the near future. This combination of increasing Mexicanization of the US southwest and freer movement of goods, services and capital across an increasingly irrelevant border will change politics and lifestyles in that populous part of the United States. Indeed, we are likely to have four regions in North America: Canada/Canada; Canada/US; US/Mexico; and Mexico/Mexico — that is, a mixed society rather than three separate societies.

The contemplated free-trade agreement may be intended mainly to alter North American trade and investment patterns. More significantly, the purpose of free trade is to increase income and employment in the two countries — particularly in Mexico, which has much further to come than does the United States. However, these changes will not end there: if

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free trade accomplishes its economic purpose, it will inevitably alter habits of living, cultural interaction, and political relations within and between the two countries.

FREE TRADE AND SOVEREIGNTY

A country chooses free trade with one or more countries in the belief that this form of economic integration enables it to retain control over those goods crossing its border from all countries other than its free trade partner(s). In reality, however, this control is compromised. A free-trade agreement refers to the elimination of import barriers on almost all goods originating from the partner countries. Accordingly, this agreement must establish rules of origin to define what actually does come from the partner country, either in terms of a minimum percentage of value added or in terms of effective transformation of the product. If one free-trade country imposes high import barriers on a particular product while its partner keeps this protection low, third countries will have an incentive to ship products which require further processing to the country with low barriers. If the importing country then adds the requisite value, the transformed product can be shipped legally to all its partner countries.

"One reason Mexico is seeking free trade with the United States is to attract foreign investment."

Much of modern trade is between related parties, either affiliates of the same multinational corporation or firms that have special arrangements between them for buying and selling goods and services. A large portion of this trade is in intermediate products: an engine, for example, rather than a finished automobile, an active ingredient rather than a ready-to-take pharmaceutical product. Almost 70 percent of Mexico's imports in 1989 were intermediate products as opposed to capital or consumer goods. More than half of Mexico's manufactured exports that year were to related parties. Mexico could not maintain high import barriers on these products in a free-trade area with the United States without placing its industries at a distinct competitive disadvantage. *Thus, while a free-trade agreement does not legally compel the two countries to have a common external tariff, the workings of the market will force this outcome.* In the European Free Trade Association (EFTA), for example, the six member countries all have low import duties; any country in EFTA that raised its import barriers to a level substantially higher than that of its partners would have suffered as a result. In a free-trade agreement with the United States, Mexico would lose effective control over its border restrictions, a significant cession of sovereignty.

Indeed, the loss of economic sovereignty is likely to go well beyond the issue of one's own import protection. One reason Mexico is seeking free trade with the United States is to attract foreign investment. Mexico hopes to expand the kind of industrial production-sharing (the manufacture of different parts of a final product in the two countries) that is already occurring. In the past, Mexico obtained foreign investment largely by forcing countries to produce in Mexico if they wished to sell there. The automobile companies were forced to export automotive products from Mexico if they wished to sell their products in Mexico. The *maquiladora* plants, using US inputs for further elaboration in Mexico and subsequent re-export to the United States, were encouraged by special incentives and by the attraction of cheap labor. Under free trade, these inducements — except for cheap labor — are likely to disappear. Corporations will choose investment locations on the basis of their internal strategies. The use of industrial policy — choosing which industries to favor and which not — will be largely foreclosed.

Free trade with the United States will therefore mean that investment choices and industrial locations will be decided on the basis of relative factor endowments of the two countries: where labor is cheaper, where output per worker can be maximized, where research can best be conducted, where skilled workers are most readily available. The salient investment issue under free trade will be the efficiency of a particular location, more so than will the nationality of the investor. This is a big leap beyond the kind of sovereignty we have known in the past, implying that as the two markets become more integrated, any single government will have less control over what is invested and sold. Mexico is prepared to take this leap, convinced that it will

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receive its share of the new investment; the United States will do the same, but its stakes are much lower because of the initial disparity. Mexico is thus prepared to give up much control over political choices regarding its economy.

It is this sacrifice of independent national choices that concerns many US opponents of US-Mexico free trade. The AFL-CIO fears that investment choices in labor-intensive industries — those in which high productivity cannot outweigh low wages in determining final unit costs — will favor Mexico over the United States. Some of these industries are reasonably self-evident: clothing, shoes, and various agricultural products, including tomatoes and other fresh fruits, vegetables, and citrus products. Some are less obvious, such as the automotive industry, in which the United Automobile Workers Union believes that much new investment will gravitate to Mexico. *These issues are posed in economic terms: What is the best location for specific industries? At their heart, however, these are deeply social and political issues.* The proper questions to ask revolve around the futures of the two countries, around which one obtains which types of industries, employing what kinds of workers, generating what level of value added, and paying what amount of wages.

"The general public in the United States views Mexico as a corrupt society, and having a Third World country for a neighbor has created problems, such as handling undocumented immigrants."

Mexico is currently not competitive in most high-tech industries which require substantial research or demand advanced skills. Free trade will force these kinds of decisions. If the choices are to become effective, they will demand a validating economic, social, and educational structure. Failures to establish these support structures would doom the United States to second-class economic and, hence, political status. Mexico will need its own validating social and educational structures in order to compete in the future on the basis of high productivity rather than low wages. About half of Mexico's population now lives below the poverty line as defined by the World Bank. A successful society cannot afford such waste. This reasoning is driving Mexico's search for efficiency, which free trade is to achieve in part. Mexico hopes that free trade will accelerate its economic/social transformation.

Regional transformations within countries occur with regularity. The textile industry in the United States shifted north to south. The Rust Belt decayed, at least for a time, as high-tech industries flourished in New England, California, and Texas. The center of gravity in the US economy shifted from manufacturing to services, while educational centers spawned research facilities. These transformations led to population shifts, alterations in political power structures, and changing social patterns. *As free trade takes hold, similar transformations will occur in the US/Mexico/Canada economy.* The regions benefiting most will be those which foster rather than prevent these transformations.

US attitudes toward Mexico, both official and among the general public, have largely been condescending. The general public in the United States views Mexico as a corrupt society, and having a Third-World country as a neighbor has created problems, such as handling undocumented immigrants. Until recently, US government attention was devoted more to drug traffic through Mexico than to economic and political relations. US policy reflects these attitudes, as evidenced by massive deportations from the United States of undocumented Mexicans, questions about whether one can certify that Mexico is making an appropriate effort in the fight against narcotic traffic, and so on.

For Mexico's part, past attitudes toward the United States have been hostile, as reflected in the Mexican press, which still has a pervasive anti-US bias, and in domestic political debate which regularly excoriated US behavior. Mexican votes in the United Nations were as consistently contrary to those of the United States as those of any Eastern European communist country or Cuba. In such a climate it took an act of great political courage for the present Mexican administration to propose free trade with the United States. President Carlos Salinas de Gortari is consorting, often with the imperial political power which seized half of Mexico's territory, with the economic imperialist that dominated everyday life in Mexico. It is more courageous for Salinas to do this than it was for German and French leaders to come

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together in the 1950s to form the European Community. The French and Germans had partners; Salinas had none. The French and Germans were more or less equal economically; the Mexicans are far from economically equal to the United States.

"A US rejection [of the free-trade agreement], no matter how it is rationalized domestically, would be seen as a reversion to the old habit of condescension."

By accepting Salinas's proposal for free trade, George Bush likewise manifested a willingness to change this political relationship. The two countries will not thereby immediately come to love each other, but their officials will no longer be able to castigate each other in quite the same way as they have in the past. Free trade, if successful, will change the tenor of the internal debate in each country the longer it is in effect, reducing its hostile manifestations and bringing the two countries closer to each other.

A word should be added on what would happen if the US Congress rejects President Bush's request to negotiate a free trade agreement with Mexico. Salinas, by making the gesture he did, staked not only his own political future on achieving free-trade, but also that of his political party and, indeed, the future economic policy of Mexico. A US rejection, no matter how it is rationalized domestically, would be seen as a reversion to the old habit of condescension: free trade with Canada, yes; free trade with Mexico, a subordinate country, no. This would have a profound effect on Mexican politics, probably leading to instability as the political forces regrouped, and it would almost certainly spur Mexican economic policy to look inward once again.

RULEMAKING AND SOVEREIGNTY

The drive toward a single market represented by "Europe 1992" and, indeed, the idea of monetary and economic union among the countries of the European Community gain their stimulus from the EC commission. The governments must approve these policies, but their initiative comes from the EC secretariat. A North American free trade area (NAFTA) secretariat would certainly not have such wide powers at first, but it would not be powerless. It is worth sketching a scenario of how NAFTA might develop and how much power would accrue in the secretariat. In its initial stage, NAFTA would have provisions regarding, at least, merchandise trade, trade in services, protection of intellectual property, investment, and dispute settlement, as well as particular arrangements in a number of important sectors, such as automobiles, energy, agriculture, and finance. No matter how detailed the agreement is, its articles will have to be interpreted. Proposals for this are likely to come from the secretariat.

Moreover, if free trade takes hold, the agreement itself is likely to deepen. The more countries trade with one another, the more traders and producers will seek stability in exchange-rate relationships. To accomplish this, some convergence on inflation will be needed. This does not necessarily require coordination of fiscal policy, but it does demand deeper consultation than what now exists among the three countries. In addition, the US/Mexico/Canada union would conclude free-trade agreements with other countries, further expanding secretariat powers.

Indeed, any time the United States signs an international agreement or treaty, it sacrifices some of its power of independent national action. Accession to the General Agreement on Tariffs and Trade (GATT) illustrates this, as does membership in the World Bank, where decisions can be made despite the objections of the United States. These sacrifices of authority tend to be relatively limited compared with what would be involved in a NAFTA which strengthened over time. For example, specific import restrictions against free-trade partners would be generally prohibited; when used, such restrictions would have to be limited in severity and time. General restrictions applied against another country normally would not apply against Mexico and Canada. It is precisely this assurance of access to the US market that Canada sought and that Mexico now seeks — a protection contract against US protectionism.

US economic integration with Mexico has highlighted the need to have compatible environmental standards, and for their enforcement, especially at the border. This is comparable to the acid rain understanding reached with Canada in the

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context of free trade. The two administrations, that of Mexico and the United States, have now accepted the logic of this conclusion. Mexico has given assurance that it will not allow its territory to become a pollution haven for industry. Free trade will thus intensify the thrust for uniform environmental standards in North America.

Union with Mexico would also entail greater economic changes than did the comparable free-trade agreement with Canada. The US and Canadian economies are similar. Their per capita incomes are almost the same, about nine times greater than that of Mexico, and US economic interaction with Canada is substantially greater than that with Mexico. With one-third the population of Mexico (twenty-six as against some eighty million), Canada imports three times as much from the United States as does Mexico. The free-trade agreement with Canada, despite its controversy, essentially formalized a *de facto* economic integration already largely in place. Mexico-US economic integration is also proceeding, but a free-trade agreement would go well beyond formalizing the existing situation, to create a new economic entity, at least for those aspects included in the agreement. Beyond that, it would set in motion the kinds of social and political changes discussed earlier. Political and social changes may be so gradual that they escape notice even as they occur. But over ten, twenty, or thirty years, their cumulative effect should be profound.

DEMOGRAPHY AND LABOR

A US-Mexico free-trade agreement is expected to encourage industrial shifts favoring Mexico for labor-intensive goods. However, production of goods for which labor costs are a small fraction of total costs would remain in the United States. Since many final goods are produced from inputs made in various locations, multinational corporations are expected to allocate the manufacture of labor-intensive components to Mexico and the skill- or research-intensive parts to the United States. This is essentially the history of the *maquiladora*, or assembly production, that has flourished in Mexico during the last decade, even without free trade. The companies argue that this does not damage domestic labor because it permits partial production in the United States of goods that would otherwise be manufactured elsewhere altogether. In a single market, which is what the ideal free-trade area is intended to create, production decisions would be based largely on these comparative cost considerations.

There is no reason to quarrel with such an anticipated division of production in the early years of the agreement. Mexican wages, including fringe benefits, are roughly 10 percent of those in the United States. It is precisely this wage gap which encourages undocumented immigration into the United States from Mexico; most of these migrants have incomes below the median in Mexico and earn about five times more in the United States than they do at home. However, this scenario is too simple to capture the dynamics of wages and production over time.

"The United States would lose jobs in some sectors, particularly where jobs are retained because of high protection. It would gain jobs in sectors requiring a more skilled work force.

Mexican wages are low by US standards because output per worker is lower in Mexico and Mexico contains more job seekers than available jobs. These are precisely the problems that a free-trade area is designed to correct. The productivity of firms operating in Mexico with US capital and management tends to conform to the productivity of these same firms in the United States. One should expect, therefore, that if the agreement does make Mexico an attractive place for foreign investment, wages in Mexico will rise. At a five-percent-per-year growth for twenty or thirty years into the future, the unemployed and underemployment situation would nearly be corrected. One should expect, then, that over this time-frame Mexican wages will increase more than will US wages. This has been the pattern in Europe, where first Italy's and more recently Spain's real wages grew more than did the real wages of the EC's wealthier countries. This has not caused real wages in West Germany, the most prosperous EC country, to decline, but there has been a narrowing of the wage gap. A similar pattern

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between Mexico and the United States can be expected, assuming both have satisfactory overall economic growth.

The United States would lose jobs in some sectors, particularly where jobs are retained because of high protection. It would gain jobs in sectors requiring a more skilled work force. This will happen only if US policies generally promote investment to raise productivity and improve its educational structure to turn out the necessary skilled workers and technicians. Some people will be hurt in this process even if both nations gain as a whole. Neither country has developed a system to compensate — to train or subsidize — those who are hurt.

"...the wage gap will remain, and many [Mexicans] will emigrate to the United States."

As this process plays itself out, there will be significant demographic changes in both countries. About one million persons enter the labor force in Mexico each year. With growth of 5 to 6 percent a year, they probably will find jobs there. However, the wage gap will remain, and many will emigrate to the United States. Indeed, all evidence from migration research shows that as incomes increase slightly, emigration also increases. The income gap need not be fully closed in order to persuade Mexicans to stay at home, but the incentive to stay requires both increased income and the expectation of a decent future at home. This may be the most important promise of the free-trade agreement.

As they come to the United States, Mexicans are apt to gravitate to where other Mexicans live, largely in the southwest. Many big cities in this region, such as Los Angeles and San Antonio, are already largely Mexican. These and other cities will become increasingly so. Mexican immigrants, even when they are legal, have been slow to become nationalized Americans, but their children are born Americans. Many such children will be born in the United States over the next twenty or thirty years, and many other persons will nationalize and register to vote. Accordingly, one should expect Mexican-American political power to grow, presumably favoring even closer US-Mexico ties, as have other immigrant groups for their countries of origin.

Moreover, as economic relations between Mexico and the United States intensify, and as the United States itself becomes more Mexicanized, Mexico will attain a much higher profile in US foreign relations. US policy will become relatively less Europe-oriented and more attuned to Mexico. President Carter, after appointing a special coordinator for Mexican affairs, exhorted the bureaucracy to pay more attention to Mexico, without success. However, as Mexico gains more economic salience and domestic interest groups raise their voices, official attention to Mexico will increase.

Finally, there is a cultural aspect to the growing Mexicanization of the southwest. This is already evident in bilingualism and the struggle against it, in the increasing popularity of Mexican food, Mexican music, and in greater familiarity with Mexican art. Will the southwest become a US Quebec, torn apart by language differences? I doubt it, if only because English is the language of commerce, finance and technology. But who can question the fact that Spanish usage in the United States and English usage in Mexico will grow? It will become even more fashionable to teach our children Spanish, because it will be more useful for most of them than is French or German.

IN CONCLUSION

I assume that a free-trade agreement in North America will be achieved, and that all three countries will benefit, which is necessary for it to endure. Changes arising from the agreement in the near future will be modest, particularly because it will take at least a decade to phase in free trade. Over two or three decades, however, the changes are apt to be profound. The agreement will weaken national decision-making power over trade and related matters. It will, at first, affect primarily economic relations — the location of industry and how production patterns are changed among the countries. Through these measures, there will be changes in incomes and employment, and Mexico has the most to gain in this respect. If Mexico can sustain the rate of growth it enjoyed before 1982, of some 5 to 6 percent per year and some 3 percent per capita, the driving unemployment and poverty Mexico faces can be reduced and real wages increased. In the long

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term, this should reduce migration to the United States. Nationals of both countries will come to think of themselves as North Americans rather than simply Mexicans or Americans. Mexicans will have to stop referring to US nationals as 'norteamericanos' and instead apply the term to citizens of both countries.

Politics within each country will change in the sense that excoriation of the neighbor will become less attractive. Local issues will still dominate politics in each country, but even these will take on a Mexican tinge in the United States, especially in the southwest. Spanish will further dominate foreign-language instruction in the United States, and increased interaction between the two countries will also heighten pressure for greater political democracy in Mexico. It is hard to conceive of deepening US integration with an authoritarian regime. Finally, the emphasis in US foreign policy should undergo a decisive shift by elevating the relevant salience of Mexico in the scheme of things. The United States may even become a child of its own hemisphere rather than continue to look forlornly to Europe. ■

"The surprisingly strong criticism of the Mexico deal led to widespread recognition of the uncomfortable reality that when you import a nation's goods, you also import its social, labor, and environmental standards. The deal further underscored the fact that free trade is in reality a delegation of sovereignty — not to an international government but to a global market with uneven rules."

From "Another Great Victory for Ideology and Prosperity" by Robert Kuttner, *The Atlantic*, October 1991.
Mr. Kuttner covers economics for *The New Republic* and is co-editor of *The American Prospect*.

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How sound is the policy of free trade coupled with unlimited growth, which is so firmly entrenched among economists? Herman Daly, an economist with the World Bank in Washington, D.C., examined these ideas in a paper presented at a Conference on Environment and Development held at Milan, Italy, on March 24-26, 1988. The arguments excerpted here from that paper are developed in more detail in For the Common Good *by Herman E. Daly and John B. Cobb, Jr., (Boston: Beacon Press), especially in Chapter 11.*

GROWTH, INTERNATIONAL TRADE, AND DESTRUCTION OF COMMUNITY

By Herman E. Daly

No economic tenet commands greater consensus among economists than the doctrine of free trade and comparative advantage. Academic economists have become so enamored of the logical argument for comparative advantage (a beloved *pons asinorum* in the standard pedagogy), that they have failed to notice that the fundamental assumption of the whole argument, capital immobility between nations, no longer represents even a weak approximation to the real world. Even though nine out of ten arguments for tariffs, quotas, or other trade restrictions can be exposed as special pleading, there is nevertheless a compelling case against free trade which Adam Smith [1723-1790] and David Ricardo [1772-1823] themselves would have found convincing had they lived in a world of free capital mobility, rapid population growth, and pervasive externalities resulting from the large scale of throughput.

Free trade remains dogma because it serves the Central Dogma of growth. But it does not serve community, and in fact works strongly toward the destruction of community. To see this, consider, for example, what US capitalists are in effect saying to US laborers. They are saying that US labor must compete in the world labor market with the masses in the Third World, otherwise capital will have to move abroad. Nowadays technology and managerial skills move with capital. Capital mobility means that wages will tend to equality worldwide in the interest of efficiency and growth. Wages in the US will decline. Wages in the Third World will rise — or will they? Not really, because the supply of labor is very large and becoming larger thanks to the demographic explosion. Also, half of the world's supply of low-wage labor is in India and China, countries which have not traditionally competed in the world market, but are now entering. The isolationist policies of Chairman Mao and the restrictive trade policies of British imperialism are over. The equilibrium wage under free trade will be the Third World level. Capital will benefit from cheap labor at home as well as abroad. Low wages mean a low standard of living for the great majority of our citizens.

We are assured by mainstream economists that this is just an irrational phobia of poor ignoramuses who have never been able to understand comparative advantage. But it is *they* who do not understand comparative advantage, because they are trying to apply a doctrine that depends on capital immobility between nations to a world in which capital crosses national boundaries at the speed of light in response to a tenth of a percent difference in rate of return! Many international transactions are now internal transfers between divisions of multinational corporations and take place with even greater ease.

Ricardo points out that if capital were as freely mobile between England and Portugal as between London and Yorkshire, then trade between the two countries would be governed by the labor theory of value (absolute advantage in terms of labor costs) rather than comparative advantage.[1] Everything that differentiates domestic from international trade depends, for Ricardo, explicitly on the international immobility of capital (labor mobility between nations was taken for granted). Moreover, Ricardo's explanation of capital immobility invokes the theme of community:

> *Experience, however, shews that the fancied or real insecurity of capital, when not under the immediate control of its owner, together with the natural*

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disinclination which every man has to quit the country of his birth and connexions, and intrust himself with all his habits fixed, to a strange government and new laws, check the emigration of capital. These feelings, which I should be sorry to see weakened, induce most men of property to be satisfied with a low rate of profits in their own country, rather than seek a more advantageous employment for their wealth in foreign nations.[2]

For Ricardo it is the force of community that keeps capital at home even in the face of higher profits abroad. Furthermore he affirms that he would be sorry to see these feelings of community weakened. Perhaps he already suspected that they would be weakened by the individualistic postulates of classical economics, and its faith in the invisible hand's ability to transform private vice into public virtue.

Interestingly, the famous invisible hand passage in Adam Smith also occurs in the context of a defense of free trade. Smith takes it for granted that it is in the public interest for national capital to be employed at home, and then goes on to show that, by and large, because of the same community attachments to the home market mentioned by Ricardo, the capitalist will find it in his own personal interest to invest at home. As Smith put it:

By preferring the support of domestic to that of foreign industry, he intends only his own security; and by directing that industry in such a manner as its produce may be of the greatest value, he intends only his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention.[3]

Smith presupposes that the capitalist is first and foremost a member of the community. Smith's capitalist is so thoroughly British that his very personal identity is defined by internal relations of community with 'the country of his birth and connexions'. It is not the competitive external relations of the cash nexus that generate the invisible hand in this case, but rather the internal relations of community that constitute this capitalist's very identity. Of course he acts in his self interest, but when the self is constituted by internal relations of community it is not surprising that private interest should promote community welfare. The invisible hand, in its classic statement at least, presupposes the force of community operating within the personal identity of the individual capitalist. By his very self-identity the capitalist feels a 'natural disinclination' to invest abroad, and therefore invests at home for his own satisfaction and security, and incidentally promotes the general welfare even though that was not his direct intention.

"...cosmopolitan money-managers and transnational corporations which in addition to having limited liability and immortality conferred on them by national governments, have now transcended those very governments..."

It is clear that Smith and Ricardo were considering a world in which capitalists were fundamentally good Englishmen, Frenchmen, etc., not a world of cosmopolitan money managers and transnational corporations which in addition to having limited liability and immortality conferred on them by national governments, have now transcended those very governments and no longer see the national community as their context. They may speak grandly of the 'world community' as their residence, but in fact, since no world community yet exists, they have escaped from community into the gap between communities where individualism has free rein.

The modern textbook explanations of free trade and comparative advantage make no mention of the assumption of factor mobility. Perhaps one reason this central assumption is downplayed is that frequently the principle is explained in terms of specialization between individuals. A classic example is a lawyer who is a better typist than her secretary. Even though the lawyer has an absolute advantage both in knowledge of the law and in typing, she nevertheless finds it advantageous to specialize in law (her comparative advantage) and employ the secretary to do the typing. Since there is no possibility for labor power, human capital, or any other productive capacity to flow out of the secretary

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and into the lawyer in response to absolute advantage the assumption of factor mobility is guaranteed, and the principle of comparative advantage governs. But the argument cannot be generalized to nations without the explicit requirement that their productive capacities (factors) not flow across national boundaries.

Consider, for example, the dismissal of the (so-called) 'low-wage foreign labor fallacy' found in one of the best and most widely-used texts:

> *...stop and think what the argument would imply if taken out of the international context and put into a local one, where the same principles govern the gains from trade. Is it really impossible for a rich person to gain from trading with a poor person? Would the local millionaire be better off if she did all her own typing, gardening, and cooking?* [4]

In the next paragraph we are assured that "gains from trade depend on comparative, not absolute advantages," which is all very well if capital is immobile. But there is not a word in the discussion about international mobility of factors. Moreover, the shift of context from nations to individuals, far from illuminating the situation, obscures it by abstracting from it the very possibility of transfer of productive capacity between the exchanging entities. Economists want free trade, which means that for economic purposes national boundaries are erased. Yet they justify this policy in terms of a doctrine whose central assumption is that national boundaries limiting the flow of capital *not* be erased!

"Free trade, as a way of erasing the effect of national boundaries, is simultaneously an invitation to the 'tragedy of the commons'."

One might object that although the principle of comparative advantage developed historically on the assumption of internationally immobile capital, that does not prove that the assumption is logically necessary, and in fact all one needs to demonstrate the existence of comparative advantage is different relative costs. This is true as far as it goes, but the point is that once capital is mobile absolute advantage takes control, and comparative advantage is superseded as a guiding principle. Capital follows absolute advantage when mobile internationally. Only when capital is immobile internationally will it be reallocated within the nation according to the principle of comparative advantage.

A high wage level is not the only good thing that depends on community. Once community is devalued in the name of free trade and global integration there will be a generalized competing away of all community standards that raise costs of production. Social security, medicare, and unemployment benefits all raise the cost of production just like high wages, and they too will not survive a general standards-lowering competition. Likewise, the environmental protection and conservation standards of the community also raise costs of production and will be competed down to the level that rules in over-populated Third World countries. Free trade, as a way of erasing the effect of national boundaries, is simultaneously an invitation to the 'tragedy of the commons'. Few people would advocate free migration because they can intuitively see the tragic consequences. Free trade and free capital mobility have exactly the same consequences for wages and community standards, but are widely advocated in the false belief that comparative advantage guarantees mutual benefit.

These arguments should not be taken as advocacy of autarky. The idea is not to oppose international trade, but to suggest that balanced trade between national communities rather than free trade between individuals across international boundaries offers a better context for reflecting and protecting the dimension of community in our economic relations. Individual employees of Exxon cannot trade freely with individual employees of General Motors seeking only their own interests. They must demonstrate that the deals they make are in the mutual interest of the two corporations.

John Maynard Keynes stated the issue judiciously:

> *I sympathize, therefore, with those who would minimize, rather than with those who would maximize, economic entanglements between nations. Ideas, knowledge, art, hospitality, travel — these are the things which should of their*

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nature be international. But let goods be homespun whenever it is reasonably and conveniently possible; and above all, let finance be primarily national. [5]

SUMMARY AND CONCLUSIONS

The major conceptual issue we must resolve in thinking about economic development and the environment as the next century begins is to integrate the one-way throughput as a central concept, even more basic than the circular flow, and to distinguish clearly the problem of its optimal scale from its optimal location. Our attention will then naturally become focused on how collectively to limit scale to an optimal, or at least sustainable, level. But the community cohesion necessary for such collective action is being eroded by free trade and free capital mobility. Contrary to common opinion the principle of comparative advantage does not solve the problem. New thinking is required. ■

NOTES

[1] *David Ricardo,* On the Principles of Political Economy and Taxation *in* The Works and Correspondence of David Ricardo, *edited by Piero Sraffa (Cambridge, England: Cambridge University Press, 1951) p. 136.*

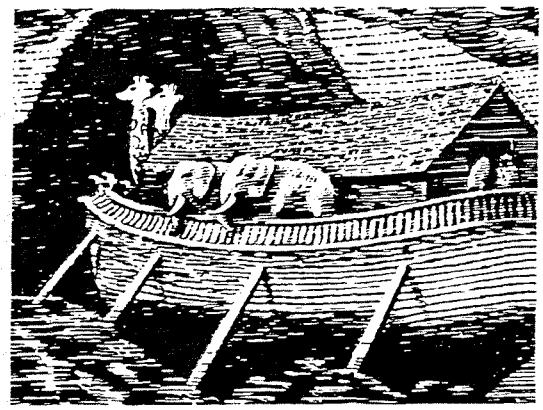
[2] *op. cit. pp. 136-137.*

[3] *Adam Smith,* Wealth of Nations, *(New York: Random House, 1977) p. 423.*

[4] *Richard Lipsey, Peter Steiner, and Douglas Purvis,* Economics. *(New York: Harper and Row, 1987) eighth edition, p. 795.*

[5] *John Maynard Keynes, "National Self-Sufficiency,"* The Yale Review, *Summer 1933.*

[The views expressed in this paper are those of the author and should not in any way be attributed to the World Bank or any other institution. I am indebted to S. Davis, R. Goodland, and E. Wessels for helpful comments. —HED]



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Dan Stein, Executive Director of the Federation For American Immigration Reform (FAIR), argues that immigration should definitely be "on the table" in the US-Mexico Free Trade talks, and presents his specific proposals.

US-MEXICO FREE TRADE:
THE MISSING BORDER AGENDA

By Dan Stein

August's mid-term congressional elections in Mexico signal that a major political gulf remains between the United States and Mexico.

As usual, the ruling PRI (Institutional Revolutionary Party) prevailed in most key races. And, as is tradition, howls of protest erupted from opposition parties over massive fraud, intimidation, phony credentialing, and unexplained reporting delays. Even objective observers charged that reporting delays from official (PRI-controlled) polls were unjustifiably long, suspicious, and unexplained. These events demonstrate that Mexico remains a party dictatorship.

The new evidence of continuing fraud raises serious questions about the PRI's commitment to democratic political reform. The US needs to be especially wary about its developing relationship with Mexico, given President Bush's fast-track negotiating authority for a free trade agreement.

Mexico's current president, Carlos Salinas de Gortari, has won international acclaim as a reformer of Mexico's outmoded economic philosophy, a philosophy enshrined in the Mexican constitution dating back to 1917. He has applied a free market philosophy to open up his country to foreign investment, relax import barriers, reduce inflation, and make progress toward an open economy.

Encouraged by his record, Congress went ahead and authorized negotiations for a US-Mexico free trade agreement. But Salinas, like his predecessors, is the product of a political system where presidential elections — at least since 1928 — resemble hereditary succession and coronation rather than free democratic process, leaving broader questions lingering.

Fraud is fraud. That the allegations from opposition parties recur election after election does not change their seriousness. The PRI will soon have been in power longer than the Communist Party in Moscow, making it one of the longest-running party dictatorships in the world.

One of the institutional reforms adopted by the PRI over the years seems to be a reliance on the United States to absorb its excess labor. If this is so, then the ruling elite in Mexico have indeed adopted the corrupt practice of designating people as a primary national export. In evidence, US immigration authorities report that Mexican nationals pour illegally across the border to the US — nearly 5,000 a night.

"Several issues must be resolved for a US-Mexico trade agreement to succeed, including...whether illegal immigration will be condoned in the future."

Given this background, for Mexico to emerge as any kind of credible treaty partner, the next presidential election must demonstrate the same reform-minded spirit in politics as we've seen in the economic sphere. There is no long-term economic freedom without political freedom.

Several issues must be resolved for a US-Mexico trade agreement to succeed, including whether Mexican oil deposits can be titled to foreign interests; whether US-type labor standards will be enforced; and whether illegal immigration will be condoned in the future. These matters will be haggled over for years. But what can and should the United States demand from Mexico as a minimum condition of any free trade agreement?

A recent Congressional commission, led by former US ambassador to Columbia Diego Ascensio, concluded that any free trade agreement with Mexico would — for at least 15 years — have the effect of increasing illegal immigration pressures. The primary cause: increased wealth in Mexico will lead to rising

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expectations and facilitate movement to the US.

The commission also noted that recent economic development in Mexico has occurred along the US-Mexico border. Twin-plants, using Mexican labor, allow US, European and Japanese manufacturers to inexpensively assemble final products for the US market. These plants serve as magnets, drawing people to the border region. Many of these eventually enter the United States.

It is understandable that US industries would want to take advantage of the cheap labor and less stringent environmental regulations found in Mexico. We do not, however, want to resettle all of Mexico's surplus of unskilled labor in this country. To encourage development and stability in both countries, the United States must stipulate the following conditions:

• **Balanced development throughout Mexico.** No matter how convenient twin-plant owners may find the proximity to the US border, the future of Mexico's economic development must be more uniformly distributed throughout Mexico. There is mounting evidence that the benefits of lining plants just south of the border has failed to "trickle down" to the rest of the Mexican economy. This geographical concentration inhibits the development of a balanced infrastructure, and places undue strain on the environment along the border.

• **Moratorium on twin-plants and related development within twenty miles of the border.** The illegal immigration into the United States takes place most commonly under particular conditions, principally found in two places: Juarez/El Paso (Texas) and Tijuana/San Diego (California). The factors are: a major US-Mexico port of entry, heavy residential and industrial development right at the border on either side, and nearby a major US highway headed toward the interior. Without those factors large volumes of crossing are impossible. Any agreement should insure that future development takes place far from either side of the border so that the border itself remains physically manageable.

• **Better border infrastructure and related enforcement.** Increased economic activity will increase crossings and place more strain on border communities. As mentioned, the agreement will place more pressure on the border itself. Needed are more inspection lanes and officers to man them, additional border enforcement resources (including detention space, personnel, sensors, low-light TV cameras, and reinforced fencing), and basic reciprocal environmental, health and safety guidelines for development within the border region.

• **A $2 crossing fee to finance needed border reforms, and a machine-readable border crossing ID and debit card for commuters, routine crossers and commercial users.** Those who wish to profit by the agreement should be willing to shoulder some of its costs. In America, tolls are increasingly commonplace as communities struggle to maintain infrastructures without raising income and property taxes. A $2 border fee could raise perhaps $600 million the first year to finance the aforementioned reforms.

"...any agreement must require that the Mexican government not only discourage illegal crossing, but help to support enforcement structures..."

• **Help from Mexico in controlling illegal activity at the border, including a willingness to repatriate Mexican nationals to interior home communities.** While US-Mexico relations have improved of late, Mexican cooperation on general immigration issues has not. Until the early 1970s, Mexico would assist the US in returning Mexican nationals back to their home communities. Today the Mexican government requires that the US simply return Mexican nationals to the border, where those apprehended will just try again. Lately, Mexico has moved aggressively through diplomatic channels to oppose US efforts to regain control of its own border. For example, Mexico's consular official in San Diego, Miguel Escobar, has recently protested the new plans to increase fencing and deterrent structures as a "factor of friction" and "certainly not evidence of friendship between the two nations" (San Francisco *Examiner*, August 25, 1991, B-7). This revolving door game can only stop with help from the Mexican government, and any agreement must require that the Mexican government not only discourage illegal crossing, but help to support enforcement structures that will insure that the border can be effectively maintained.

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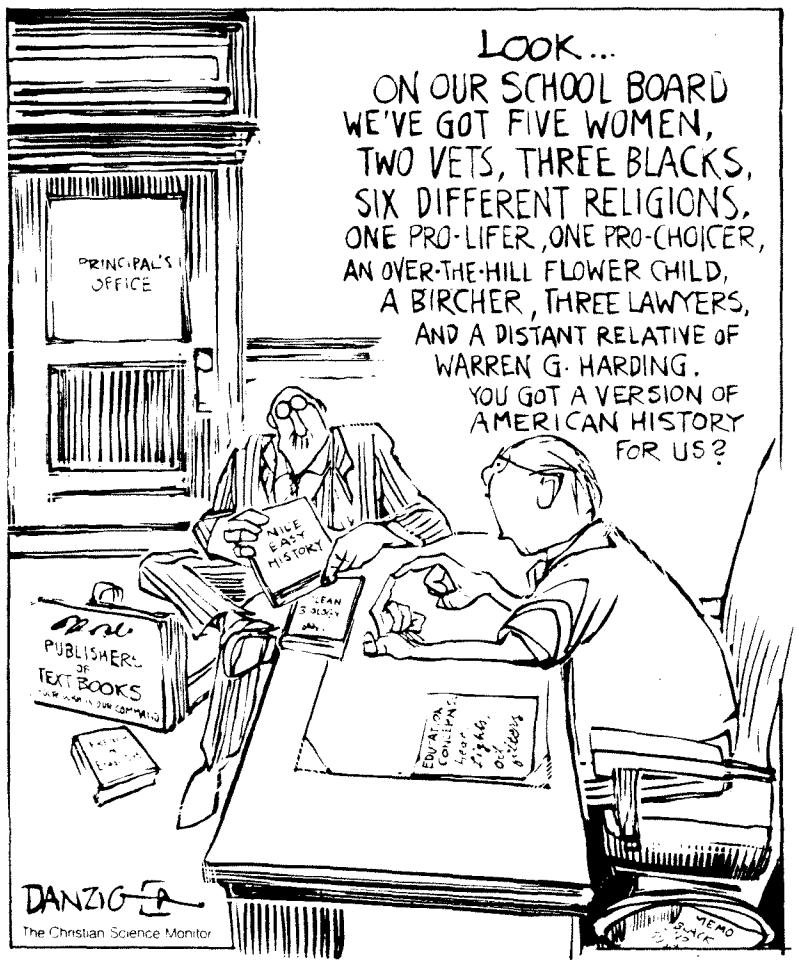
Sovereignty entails responsibility. Free trade relies on mutual trust, respect, and a shared sense of values and goals. Our future relationship with Mexico will only be assured if each nation recognizes its unique responsibilities to its own people and to its neighbors. Respect, in this context, means the willingness to respect each other's differing legal, political, cultural and moral systems, including that most basic ingredient of sovereignty: respect for the very national borders that allow those systems to remain discrete and identifiable.

Free trade is not such a derogation of sovereignty that the United States must relinquish its national borders to help promote stability in Mexico. In fact, free trade implies that the prerogatives of sovereignty should be even more forcefully applied, as each nation more aggressively pursues its comparative advantage.

Properly negotiated, the free trade agreement should go a long way toward enhancing the integrity and stability of the border and surrounding region. That, after all, is the only way to insure that the region will become an attractive investment target. Any other choice would be short-sighted, diminishing the long-run prosperity and success of both nations.

* * *

THE CHRISTIAN SCIENCE MONITOR MONDAY, MARCH 23, 1987


LOOK...
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For a blue-collar view of the proposed US-Mexico free trade agreement, we reprint a position paper of the American Federation of Labor/Congress of Industrial Organizations (AFL-CIO). It was issued in February 1991, before Congress granted the fast track negotiating authority.

EXPLOITING BOTH SIDES: US-Mexico Free Trade

A Position Paper of the AFL-CIO

INTRODUCTION

The enactment of a free trade agreement with Mexico, as proposed by President Bush, would be an economic and social disaster for US workers and their communities.

Under current trade arrangements, tens of thousands of US workers have lost their jobs, and tens of thousands more have seen employment opportunities vanish, as US companies transferred production to Mexico, taking advantage of the poverty of Mexican workers and the absence of any effective regulations on corporate behavior.

A free trade agreement will only encourage greater capital outflows from the United States, bring about an increase in imports from Mexico, reduce domestic employment as the United States moves deeper into a recession, and accelerate the process of deindustrialization that has confronted this country during the 1980s.

The international economy has had a profound and negative effect on US workers during the past 10 years. The unprecedented shift in trade patterns has cost the economy hundreds of thousands of jobs, contributed to declining real income and made the United States the largest debtor nation in the world. There is no end in sight to these crippling deficits, and in 1990, the United States recorded its seventh consecutive year of merchandise trade deficits of more than $100 billion.

Central to this problem is the imbalance in trade of manufactured goods, which in 1990 accounted for $90 billion of the overall $101 billion US trade deficit. At the beginning of the decade, the United States enjoyed a trade surplus in this vital sector.

The impact of US trade deficit on employment has been severe. While total employment has grown during the 1980s, employment in manufacturing has declined by more than 2 million and the growth in non-manufacturing jobs has taken place largely in the lower-paying service sector. That sacrifice of well-paying and high-quality job opportunities in the middle tier of the nation's income structure is reflected in a decline of 13 percent in average weekly earnings since 1978.

These factors also have had a negative effect on the distribution of income in the United States. Low- and middle-income families have received an increasingly smaller share of the nation's income, while those at the top have substantially increased their share. Between 1979 and 1989, the 20 percent of families with the highest incomes saw their share of all family income increase from 41.5 percent to 44 percent. All other family income groupings declined.

"The supporters of a US-Mexico free trade agreement say it is a 'ladder of prosperity' for Mexican workers; but all of the bottom rungs are missing. The reason that US corporations have established facilities in Mexico is not to promote economic development, or raise the standard of living and level of consumption there; it is to increase corporate profits."

— AFL-CIO Executive Council

Ignoring these serious problems, the US government has pursued a strategy of trade liberalization internationally, and deregulation domestically. Indeed, the withdrawal of effective government regulation in the domestic market over the past 10 years can be seen as the driving force behind this nation's current approach in the international arena.

The proposed free trade agreement with Mexico is merely the most recent, albeit extreme, mani-

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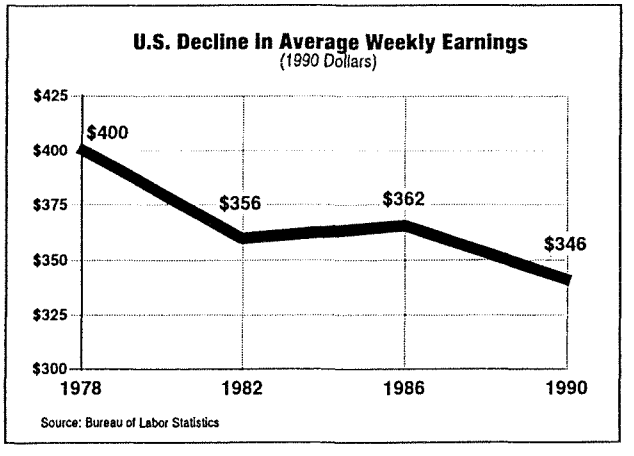
festation of an ideological world view that believes overall progress can only be achieved if the organization and structure of economic and social affairs is left entirely to private capital. The damage caused by this approach during the past 10 years will be deepened by free trade with Mexico.

What is at stake is not more or less trade with Mexico, but the nature and quality of that trade. The United States will stand to lose in the competition for world markets if the economic relationship emerging with Mexico contributes to the further deindus-trialization of the American economy and to the erosion of the skill base of this country. Manufacturing skill is like a muscle — if unused, it becomes flabby.

Flabbiness is the likely scenario for the United States if innovation and technical change in the domestic manufacturing sector is blunted by the availability of cheap labor in Mexico, leading to loss of US skills and consequent meager productivity increases.

By the same token, a free trade accord ignores the social dimension of economic integration and may increase tensions and frictions between the two countries, thus sharpening differences and blocking the development of a more harmonious relationship.



This second point is vital for both the interests of the United States and Mexico. Unregulated trade for the United States will result in less job creation, fewer productivity increases, and regression in environmental and other social standards. For Mexico, it could well reduce that country's comparative advantage to simply cheap labor, turning Mexico's economy into one large export platform, sacrificing balanced and equitable economic development.

This view was emphasized in November 1990 by six Mexican leaders, including former Finance Minister Jesus Silva Herzog and author Carlos Fuentes, who wrote: "Low Mexican wages cannot be a permanent feature of North American economic relationships. That comparative advantage is too costly for everybody involved; too humiliating and unproductive for Mexican dignity and economic development; too costly in jobs and welfare for American and Canadian workers; too destructive for our common environment and civilization."

TO EXTEND THE US-CANADA FREE TRADE AGREEMENT

It has been argued that a free trade agreement with Mexico would merely be an extension of the pact entered into with Canada in 1989, thereby creating a North American free trade area.

The AFL-CIO opposed the US-Canada free trade agreement because we were, and still are, concerned that the agreement would inhibit US governmental efforts to address economic and social problems in the United States, while at the same time approving a significant disparity in the way the two governments involve themselves in economic development.

That being said, Canada, at least, has wage levels, living standards, and regulatory structures similar, if not superior, to the United States. Central to the differences between the United States and Mexico is the huge gap in wage levels.

A free trade agreement with Mexico, a country where environmental protection and job safety and health are almost nonexistent when compared to the US, simply invites disaster for US workers. The addition of Canada to the proposed negotiations does not in any way alter this basic reality.

TO COMPETE WITH EUROPE

Proponents say a US-Mexico free trade agreement is necessary to balance Europe's move to a single market, but that reasoning ignores a variety of factors that separate the European experience from the proposal now under consideration.

In Europe, a crucial aspect of on-going talks is the development of a social dimension: to set minimum workplace standards and benefits and to

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establish common regulatory regimes along with the freeing up of capital movements and the liberalization of trade. As currently described, US negotiations with Mexico will deal exclusively with trade and capital liberalization and ignore the social dimension of trade and production.

Secondly, the differences among European countries are much smaller than the differences between the United States and Mexico. While US gross national product per capita is 10 times that of Mexico, the richest nation in Europe, Germany, has a per capita income just five times higher than Portugal, Europe's poorest country.

Even though the gap in Europe is smaller, the process of integration in Europe is accompanied by massive transfers of direct aid to help accelerate development, and improve standards. The Bush Administration proposal concerning Mexico contains no similar aid component. Such aid to development and living standards is a government function, properly assumed in Europe, while a "free trade" agreement is the exact opposite — an abnegation of the responsibility to see that trade benefits the citizens of both nations.

Finally, the process in Europe began in 1958 with the Treaty of Rome, and has been characterized by extensive parliamentary debate at each step of the way. When the single market begins in 1992, it will be better because of the democratic process.

Basic Economic and Social Indicators
U.S., Canada, Mexico

	U.S.	Canada	Mexico
1) Population (1990, in millions)	250	27	88
2) GNP - 1989 (billions of $)	5233	514	187
3) GNP per capita 1989 - $	21082	19600	2165
4) Unemployment Rate 1989	5.2%	7.5%	20%
5) Infant Mortality-1990 deaths/1000 live births	10	7	33
6) Electricity - 1989 KWh per cap	11920	17960	1200
7) Average Hourly Earnings-1988 (manufacturing)	$13.85	$13.53	$1.99 (0.98) for Maquiladora Workers

Source: World Development Report, The World Factbook, DOL

The US proposal is completely different. Right from the start, the Administration has tried to foreclose most of the discussion of a US-Mexico agreement and to maneuver Congress, through the use of the "fast track" process, out of the picture. They propose to negotiate a North American free trade area in six months, ram it through Congress on a simple yes or no vote and be finished with a process Europe spent 34 years on.

US-MEXICO TRADE

US trade with Mexico has grown rapidly during the past decade. Mexico is now the largest US trading partner after Canada and Japan. The United States had a $2 billion trade deficit with Mexico in 1990.

Imports from Mexico have increased 59 percent since 1985, reaching $30.2 billion in 1990. A major stimulus has been the massive devaluation of the Mexican peso and the coincident growth of the "in bond" or maquiladora program. This program effectively suspends Mexican import duties on US production-related machinery as well as components that are incorporated into exports and US duties on the US content of products imported from these plants.

Located largely in the border area, the maquiladora program has mushroomed in the past 20 years, growing from 120 plants to 1,800 and from about 19,000 workers to 500,000 today.

The significance of this activity is reflected in the growth of imports under Harmonized Tariff System Item 9802, which eliminates US tariffs on the US content of the imported products. The value of this trade has doubled since 1985 and the maquiladoras now account for 45 percent of all US imports from Mexico.

President Bush's free trade proposal would expand the maquiladora type of economic activity by encouraging US investment in Mexico for production for export.

The AFL-CIO believes that this type of program will make US trade problems larger and do little, if anything, to improve the lives of the vast majority of Mexican citizens.

The problems faced by Mexican workers are clearly demonstrated by the decline in the Mexican minimum wage, currently 59 cents an hour. The devaluation of the peso has made Mexican wages, in US dollar terms, among the lowest in the world. Worse, for most Mexican workers, this pay level is not only the wage floor, but also the wage ceiling.

This is not to say that no one benefits from this program. Certainly, the profits of US companies are increased, and a narrow group of managerial and political elites in Mexico are advantaged. US

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financial interests also have a major stake in expanded Mexican export earnings, which can be used to pay interest on Mexico's crushing debt burden. Today, 40 percent of Mexico's export earnings must be used to service its $95 billion debt.

The advantage for US corporate profits, US banks, and for similar Mexican elites is clear. But any benefit to US workers who lose their production jobs, or to Mexican workers paid subsistence wages, is difficult to discern.

"The enactment of a free trade agreement with Mexico... would be an economic and social disaster for US workers and their communities, and do little to help the vast majority of Mexican workers."

— Thomas R. Donahue
Secretary-Treasurer, AFL-CIO

EMPLOYMENT IMPACT ON U.S. WORKERS

The debate on the domestic employment effect of current US-Mexico trade relations — plus the likely employment impact of a free trade agreement — has been clouded by supposedly sophisticated economic studies and models that downplay negative employment effects. This type of analysis merely serves to camouflage the obvious.

The one thing we do know is that some 500,000 Mexican workers produce goods destined almost solely for the US market. If our market was being serviced by domestic production, even taking productivity differences into account, US employment would clearly be hundreds of thousands higher.

Tens of thousands of workers across America in companies like Electrolux, Tyco, Zenith, Westinghouse, Farah, GE, AT&T, GM, Ford, Chrysler — to name only a few — have seen their jobs disappear to Mexico. They, better than any model or projection, can describe the employment impact of this type of trading relationship.

Why should firms invest in the United States if they can move a hundred yards across the Rio Grande River and dramatically reduce their labor costs? Common sense — even without the proven example of the maquiladoras — shows us that a free trade agreement with a country where wages are less than one-tenth of ours will hurt US employment, income and productivity.

NO HELP FOR U.S. EXPORTS

Administration officials frequently cite the huge Mexican market of 85 million consumers who presumably are clamoring to buy US-made goods and thereby boost US exports and improve the US trade position.

Unfortunately, the reality is somewhat different.

In Mexico, only about 10 million people are able to buy much of anything at all. The extreme poverty of the other 75 million means they are merely trying to survive and provide themselves and their families with food and shelter.

Secondly, it is likely that a free trade agreement would encourage growth along the lines of the maquiladora program. In this economic structure, there are no real exports. By definition, the US content is returned.

Indeed, it is estimated that 40 percent of US exports to Mexico are brought back to the United States as finished products. This is not trade; this is US rental of low-wage Mexican labor.

Decline of the Minimum Wage in Mexico

Year	Weekly Min. Wage (Pesos)	Peso-to-Dollar Rate	Hourly Minimum Wage (in $)
1980	197.70	22.97	1.26
1981	257.30	24.52	1.53
1982	412.00	56.40	1.07
1983	606.70	102.10	0.74
1984	935.70	167.80	0.81
1985	1456.70	256.90	0.83
1986	2406.50	611.80	0.57
1987	5410.90	1378.00	0.57
1988	10150.80	2273.00	0.65
1989	11439.90	2461.00	0.68
1990	11894.00	2920.00	0.59

Source: Economic Commission for Latin America and the Caribbean

COMPETITIVENESS

The argument that US firms would be more competitive is really an attempt to justify the US corporate desire to duck the question of productivity and competition and get by on the short term with the easiest solution: cheap labor.

The transfer of production to Mexico under these circumstances turns the traditional concept of international trade on its head. Here, an industry's competitiveness or a nation's comparative advantage is not determined on the basis of the cost or quality

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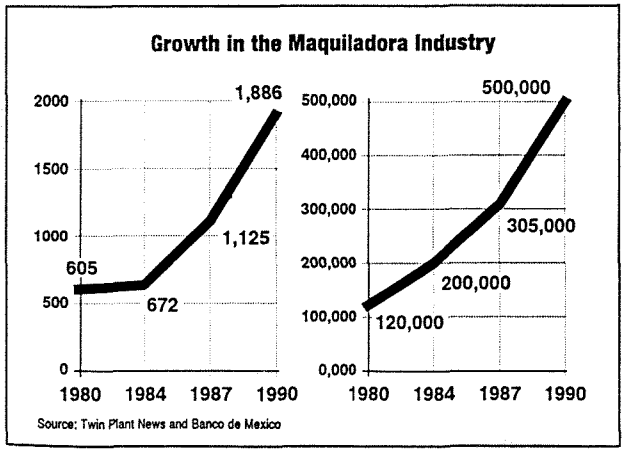
of the completed product. Rather, comparisons can now be made for each stage of the production process in deciding on foreign or domestic sourcing.

The historic strength of the US economy has been based on a variety of factors, including a highly educated, productive, and well-paid work force; ample capital and natural resources; innovative production techniques; strong managerial skills; and continued technological advances. Together, these elements have led to the high standard of living enjoyed by so many Americans. This wealth and its continued growth also requires the buying power of the US worker-consumer.

Totally free trade permits a company to separate decent and justifiable wage levels from all other aspects of production. Mexico's single comparative advantage is the poverty that forces its citizens to work for subsistence wages. The skill, productivity and contributions of US workers become irrelevant in this context, and the growth of this activity threatens one of the essential pillars of the American economy. No matter how productive, US workers cannot compete with labor costs of less than one dollar an hour.



DEVELOPMENT

The huge differential in wages and its impact on economic development is illustrated by a pay stub from a worker at a Zenith plant in the Mexican city of Reynosa. For a 48-hour week, this worker, who is engaged in the manufacture of television and other electronic components, netted 71,700 pesos which, in February 1990, translated into $26.16. Gross pay amounted to 61 cents an hour.

Even by Mexican standards, this is low and gives workers little reason to be committed to long-term employment with a company — or even to be committed to their community. Few workers have benefits of union representation, and problems concerning occupational health and safety and the environment are rampant.

Mexico has not had the improvements in the quality of life normally associated with the level of economic investment Mexico has had for the past six years. This investment has brought beautiful, brand-new production facilities. It has brought a first-rate road from the plant to the US border. But it has brought nothing to the communities in which they are located.

For example, it is estimated that between 400,000 and 500,000 people in Juarez have no running water, sewers or electricity. Workers in many of the plants live in dormitories, or in shacks made of packing materials from the factory. Their drinking water is contained in 50 gallon drums previously used for toxic materials. Schools, hospitals, and parks remain unbuilt.

A few years ago, when Mexican wages were actually higher in dollar terms than they are today, the *Twin Plant News*, a magazine supportive of industry, published an article on the subject of wages stating: "There are ways to keep the minimum wage people at minimum wage." The article suggested "free or subsidized lunches" and assistance with transportation costs. It also asked, "How about a free kilo of tortillas each week or a few kilos of frijoles?"

The article went on to suggest that the employees of the US parent corporation could "clean out their closets of those items they will never get to again" and send them to the Mexican plant for distribution, "where it will do the most good." Remember, "many of the houses (on the Mexican side of the border) are poorly heated, if heated at all, and warm clothing and blankets feel good on those cold nights."

It is not credible to say that development in Mexico is assisted when people working 48 hours a week need handouts of food and clothing in order to survive.

Under these circumstances, Mexico's development is marginal at best. Subsistence wages do not generate the demand necessary for a healthy and growing economy. Even if permitted, the workers

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could not afford to purchase the products they produce. Claims by some that the existence of these plants boosts the economy of the US border region are simply not credible in light of $5-a-day wages.

Indeed, the reverse is true. The growth of US investment in the maquiladora industry has brought a corresponding reduction in Texas border income, relative to the US average.

The major increase is in health problems. Today in El Paso County, tuberculosis is double the national average, salmonella is three times the national average, and hepatitis-A is five times the national average. A free trade agreement with Mexico will simply encourage more of the economic activity that has proven to be harmful to the very people it purports to assist.

IMMIGRATION

Both the US and Mexican governments have argued that a free trade agreement will slow down illegal immigration by providing jobs in Mexico. Certainly, the creation of good jobs at wages that provide food, housing and a decent standard of living would encourage people to stay in their communities. Jobs at less than a dollar an hour, however, can only be expected to bring to the border people who, after a short time in the maquiladora, will continue on into the United States.

Beyond the question of immigration, the issue of labor mobility, despite US government assurances to the contrary, will be addressed in the proposed negotiations under the subject of trade in services. Mexico will be seeking, as it did in the trade negotiations, easier access for its population to enter the US market on a "temporary" basis to provide services.

In its submission in the Uruguay Round, the Mexican government stated "The expansion of the service exports of developing countries and their increased participation in world trade in services depends on the liberalization of cross border movement of personnel covering unskilled, semi-skilled, and skilled labor, and such effective access to markets for their service exports can mainly be realized through this mode of delivery." Temporary entry for providers of services was expanded significantly in the US-Canada free trade agreement, and there is no reason to believe the outcome will be different with Mexico.

SOCIAL PROTECTIONS AND THE ENVIRONMENT

The vast differences in regulatory structures and social protections will create serious difficulties for US production. The establishment of a US-Mexico free trade area would be, in commercial terms, no different than drawing a circle around Chicago, to pick one, and saying that inside that circle, US minimum wage or child labor laws wouldn't apply, occupational health and safety regulations need not be observed, workers' compensation and unemployment insurance need not be paid, and environmental protection laws could be ignored.

All these standards and others like them impose costs on US producers. We as a nation, however, have decided those costs are necessary to improve the standard of living of all our citizens.

"If workers in Mexico earn only a fraction of what Ford workers in Detroit earn, but produce essentially as many engines as Detroiters [while not earning enough to buy a car], then potentially we have a problem that Henry Ford would understand: too many Fords, not enough customers."

— Walter Russell Mead

Noting this problem, an article in the *Arizona Republic* cited a Tucson-based consulting company that recruits clients with a flier stating that one of the advantages of doing business in Mexico is "minimal government regulatory controls, i.e., no OSHA, EPA, EEOC, AAP, Air Quality Control, etc."

This newspaper also catalogued a variety of problems confronting workers in the maquiladora industry, including the employment of a 13-year old girl in Nogales by General Electric on the 4:30 p.m. to 1:30 a.m. shift making electric wiring strips, the mishandling of toxic materials in the production process — with predictable pollution — and the growing use of used chemical drums to hold drinking water for workers.

The May 14, 1990, *Los Angeles Times* said that furniture makers have been leaving southern California and setting up production down the road in Tijuana in order to escape tough environmental

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rules imposed in 1988 on the use of solvent-based paints, stains, and lacquers. By moving, they also avoid paying California's workers' compensation insurance premiums, which cost employers a basic rate of 19 cents on each $1 paid out in gross wages because of the hazards of working with those solvents.

The pollution that California sought to eliminate merely originates a few miles away, across the border. Workers in the United States have lost their jobs, and Mexican workers are endangered by the absence of effective health and safety regulations.

On a larger scale, the 1990 federal Clean Air Act will impose ever increasing costs on domestic producers, and may generate even more transfers of production to Mexico. The solution is not to reduce the effort against pollution, but to address the related problems such efforts produce.

All along the US-Mexico border, drinking and irrigation waters are being polluted, and fish and wildlife face extinction. The fragile ecosystem is endangered by indiscriminate dumping of waste in land dumps. The region lives under the threat of toxic poisoning caused by transportation or industrial accidents. Adequate waste treatment facilities are lacking on both sides of the border, and health problems are skyrocketing.

Mexican workers in the maquiladora plants are frequently denied basic health and safety protections against occupational illness or disease, and they risk the loss of their jobs if they protest these dangerous conditions. Commenting on the maquiladora industry, the *Wall Street Journal* on Sept. 22, 1989, stated, "Their very success is helping turn much of the (Mexico-US) border region into a sink hole of abysmal living conditions and environmental degradation." A March 1990 report of the US International Trade Commission quotes two Mexican government officials on environmental problems. One stated "protecting the environment is a luxury activity: it has a price." Another states that "Mexico does not want industries that pollute, but we must remain competitive, that's why we don't push environmental enforcement."

WHAT CAN BE DONE

The AFL-CIO believes that the huge current differences between the United States and Mexico make the establishment of a free trade area both damaging to US workers and of little benefit to Mexican workers. It would only serve to perpetuate a division of labor that separates the people of the two nations into low-cost producers on the one hand and consumers on the other. In order to prosper, people need both to work and to consume; and US efforts should be directed to that end.

The problems of poverty and economic development in both the United States and Mexico are too serious to be left to the interests of private capital. Mexico needs significant debt relief, so it can invest in its own future; foreign aid, so it can improve standards and enforcement; development planning and efforts to raise the wages and living standards of Mexicans; and efforts to correct the environmental degradation of the border area.

These elements must be dealt with on a governmental level before any consideration is given to further trade liberalization. This is particularly true of those US-owned manufacturing plants, the maquiladoras, in which exploited Mexican workers produce goods for the US market. If they are not addressed, the majority of people in both countries will be harmed by international trade.

The Bush Administration's free trade proposal does not address any of these issues — all vital to improving the relationship between the United States and Mexico. Granting the Administration "fast track" negotiating authority will sidetrack these issues into separate commissions, studies or committees.

The Administration is asking Congress for a blank check to negotiate a free trade agreement with Mexico, an agreement unprecedented in US history. Certainly, the economic and social upheaval from such a pact deserves more consideration, examination, and debate in the Congress and the nation than the "fast track" process would allow.

This is all the more true since fast track authority is not necessary to negotiate with Mexico. Congress can direct and the executive can undertake discussions without this special authority. Any agreements reached would then have to be brought back to Congress for its consideration under normal legislative procedures. The AFL-CIO believes that to address positively the problems between the United States and Mexico, Congress and the US people must play a major and continuing role. ■

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Columnist Patrick J. Buchanan urges a more careful look at the projected free trade agreement with Mexico in terms of what it does to the American worker. This column appeared on May 21, 1991, and is reprinted with the permission of Tribune Media Services.

FREE TRADE AND AMERICA FIRST

By Patrick J. Buchanan

The success or failure of President Bush's drive for fast-track authority — i.e., the right to submit his free-trade agreement with Mexico to Congress, for an up-or-down vote, no amendments — will tell us much about the shape of the new world. Both liberals and conservatives are in George Bush's camp and both oppose him on this newly controversial issue of global free trade.

In economic terms, the merits of free trade are undeniable. If one believes in maximum efficiency — the lowest possible price for the highest quality of goods, and maximum freedom of choice for consumers — there is no argument against free trade. Indeed, those who oppose the Mexican free-trade agreement do so on grounds of preserving things they believe are more important.

Years ago, Americans watched, with cool indifference, as thousands of jobs in the textile mills of New England moved to the low-wage South. Those jobs, however, remained in the United States. Should we be equally indifferent to see them move to Hong Kong, or India? Why? While that surely means lower costs to US consumers, are not we Americans something more than mere consumers?

What is wrong with protecting American manufacturers from cutthroat foreign competition? asks the protectionist. Upon them, government imposes wage-and-hour laws, tough environment standards, safety-and-health measures, land-use rules. They are taxed at federal and state levels, and admonished to be good corporate citizens and give generously to local charities. Almost all do so — and all these social costs are factored into prices.

What do we tell that manufacturer when his competitor moves to Mexico, employs cheap labor, avoids US taxes and inspections from EPA and OSHA, as well as visits from the Little Sisters of the Poor, then undercuts him by selling cheaper products?

William Gill, of the American Coalition for Competitive Trade, believes free trade has already cost this nation its economic primacy, that the Mexican free trade agreement will be the final blow: "There are now an estimated 2,000 American factories in Mexico employing some 500,000 workers," he writes, "By 1995 the number of American jobs exported to Mexico is expected to reach one million."

During the first thirteen decades of our history, Gill argues, America went from being a small farming country to become the greatest industrial power on earth. In those 125 years, half of all federal revenues came from the tariff. While we prospered behind a tariff wall, outstripping Britain as the world's foremost industrial power, Britain practiced free trade. We protected our markets and invaded theirs, as today Japan protects her markets and invades ours.

Any tax discriminates. Today we discriminate against savings, wages and investment in the United States. Why not discriminate, if we must, against foreign goods in favor of American goods?

After World War II, American vets came back to work in the iron plants and steel mills of the Monongahela Valley. A few years later, many lost those jobs to the more competitive mills their tax dollars helped to build in Germany and Japan. If there was anger among vets who had risked their lives in Europe and the Pacific to defeat Hitler's Germany and Japan, only to lose those jobs to Germans and Japanese, can we blame them?

Are there higher values that ought to command our respect than the highest quality consumer goods at the lowest possible price?

A foreign policy that looks out for America First should be married to an economic policy that considers first the well-being of our own business and our workers. This does not mean automatic opposition to free trade with Canada, Mexico, or any other nation; it means that any agreement should be accepted or rejected based upon how it affects Americans, not just as consumers but as a people. ■

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How can the existing Canada-US Free Trade Agreement illuminate some of the choices that will need to be made in an agreement between the United States and Mexico? James H. Walsh, Associate General Counsel with the Immigration and Naturalization Service in the U.S. Department of Justice, examines the migration-related sections of the US-Canadian agreement from this perspective.

REGAINING CONTROL OF THE BORDER

By James H. Walsh

Today the Estados Unidos de Mexico and the United States of America are moving toward less restrictive trade regulations. Both nations realize the need for new mutual trade arrangements to compete with other geographic trade alliances, such as those of the European Community and the Pacific Rim. Canada and the United States have had a free trade agreement since 1988, and a North American trade alliance consisting of Canada, Mexico, and the United States may be on the horizon. In addition to economic benefits, a properly arranged free trade agreement with Mexico could help the United States solve the long-standing problem of illegal aliens seeking entry across the US border. But unless consideration is given to migration issues, a Mexico-US FTA could exacerbate problems created by economic and environmental refugees from Third World nations who are entering the United States through Mexico.

US migration problems are compounded by these economic and environmental refugees who pass through Mexico — undocumented and uninspected — on their way to the United States. Some first seek residency in Mexico but failing to find financial security make their move toward the US border. US and Mexican border patrols have been overwhelmed by a combination of this growing wave of refugees and organized alien smuggling operations which prefer to use land borders.

Thus far, the Mexico-US FTA negotiators have not listed migration as a topic for discussion. Traditionally migration matters are not detailed in trade agreements, but the present sensitive nature of migration — legal and illegal — merits innovative thinking and diplomacy. An FTA that addresses the trade-related movement of people back and forth across the Mexican-US border could help resolve border problems rather than leave them in an aleatory state.

The main opposition to a Mexico-US FTA comes from immigration, environmental, labor, and some farms groups in Canada and the United States. While each group wants its own specific spin on the FTA for acceptance of an agreement, the loudest critics focus predictions on increased unemployment in the United States as cheaper labor markets in Mexico open. However, the FTA can be a lasting agreement of inclusion, not exclusion, if legitimate criticisms are answered.

"Before a Mexico-US Free Trade Agreement is attempted, there should be a 'migration impact study' modeled on environmental impact studies."

CURRENT MIGRATION TRENDS

Migration is one of the most complex aspects, if not the most complex, of an FTA. In the overall document, it is likely that migration matters would receive little attention. They are, however, of major significance to the population, the corporate and personal incomes, and the gross national product of each country. The United States has two other FTAs, the one with Canada and the other with Israel, but only Canada shares a land border with the United States. A Mexico-US FTA has the Canada-US FTA for precedent on the borders issue to help smooth concerns about movements of people.

In the last 20 years, the flood of a new sort of alien has further complicated Mexico-US border problems. Mexicans and Salvadorans no longer are the only ones crossing the southern border illegally. In the last ten years, Asians, Africans, and Central Europeans constituted almost 40 percent of the undocumented aliens crossing the border. Loss of

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control of the US southern border to a daily flood of undocumented aliens is a serious concern for the United States and must be a significant factor in any Mexico-US FTA.

In addition to undocumented aliens apprehended by the Border Patrol, an estimated 4.5 million aliens successfully eluded detection and entered the United States illegally each year during the 1980s. Even though most Mexican illegals do not plan to remain, many ultimately make the United States their permanent residence, as personal economic concerns transcend their desire to return home. Non-Mexican illegal aliens usually come to the border with the express intention of making the *United States* their home.

In recent years the *Servicios Migratorios*, Mexico's equivalent of the US Immigration and Naturalization Service, has begun to apply pressure on undocumented aliens who cross Mexico's southern border illegally. The *Servicios Migratorios* has increased checkpoints along interior transit corridors, and stepped-up scrutiny of documents and deportations of intercepted aliens. This reflects a change in the Mexican government's policy toward border control. President Carlos Salinas de Gortari has demonstrated that Mexico wants to cooperate with its northern neighbors. Mexico also has come to realize that this flood of illegal aliens is not in Mexico's best interests.

"...the Mexican government admits tacitly that most of the illegal aliens from Central America and elsewhere are economic rather than political refugees."

Enhanced enforcement actions by the Mexican authorities resulted in a reflex concern by migrant-advocacy groups in the United States which claimed that Mexican and US immigration officials were cooperating to thwart the movement of Central American asylum-seekers.

Both governments deny any agreement to stop the flow of Central Americans or other nationals across Mexico's southern border. But the Mexican government admits tacitly that most of the illegal aliens from Central America and elsewhere are economic rather than political refugees. When work is available in Mexico, these illegal aliens stay to compete with Mexican citizens for jobs, hindering the government's efforts to reduce unemployment.

A Mexico-US FTA needs to specify that persons crossing into the United States from Mexico, or vice versa, be fully documented citizens of one country or the other. Mexico needs to continue its new border-policing policy. Most likely, illegal aliens will continue to enter Mexico in hopes of sharing in the anticipated benefits arising from a free trade agreement. Migration and border control policies of the trading partners should be compatible. No persons should be accepted *sin papeles* (without papers) by either government.

PROPOSALS

Before a Mexico-US Free Trade Agreement is attempted there should be a "migration impact study" modeled on environmental impact studies. This would offer a forum for interested groups to present their concerns. Such a procedure would evaluate the effects of migration on cultural, environmental, labor, and social interests of a defined geographic community, a population community, or both. The results of the study should then be the basis for policy decisions.

In formulating the Canada-US FTA, negotiators were able to allow for the temporary entry of business persons and address nearly all migration concerns. [*These classifications are explained in more detail in the accompanying box.*] The Mexico-US FTA would not be so easy.

To deal with the movement and temporary entry of persons between the two nations, the Mexico-US FTA would need to acknowledge the agricultural interests of the United States, the population growth of the Mexican labor force in the next decade, and the desire of unemployed US citizens to seek employment south of the border. The agreement would need to resolve the problems of economic and environmental refugees from other nations, whose numbers are growing apace.

In addition to the Canada-US classifications, the Mexico-US FTA would need to add other categories. The most troublesome would likely be the agricultural worker and industrial worker. Additionally, the worker or visitor who traverses the border daily, the seasonal worker (whether Mexican national or not),

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and lastly, the Mexican woman who crosses the border so that she may give birth to a child in the United States for the sole purpose of endowing her child with US citizenship, all present real problems in defining classifications.

CANADA-US FTA CLASSIFICATIONS

The Canada-US FTA will likely be used as a precedent in the preparation of a Mexico-US FTA. Currently, the following categories of citizens can move between Canada and the United States:

• **Business Visitor.** The Canada-US FTA provides for easy entry of business persons. The Business Visitor, defined by B-1 requirements of the Immigration and Nationality Act (INA) of 1952, is required to be within one of seven phases of the normal business cycle: (1) Research and Design, (2) Growth, Manufacture, and Production, (3) Marketing, (4) Sales, (5) Distribution, (6) After-Sales Service, and (7) General Service.

• **Treaty Trader or Treaty Investor.** Treaty Traders (E-1) and Treaty Investors (E-2) are aliens entitled to enter the United States under, and in pursuance of, the provisions of a treaty of commerce and navigation between the United States and the foreign nation of which they are nationals, solely to carry on substantial trade — trade in services or trade in technology between the two nations; or solely to develop and direct the operations of an enterprise in which they invested, or of an enterprise in which they are actively in the process of investing substantial capital. The Canada-US FTA, Sec. 307, provides for the entry of Canadian citizens to the United States as Treaty Traders or Investors under a non-immigrant classification.

• **Professionals.** This INA classification, added by the Canada-US Free Trade Implementation Act of 1988 (Pub. L. 100-449), allows non-immigrants to enter the United States to serve temporarily as professional employees. Professional business activities are those which require at least a baccalaureate degree unless otherwise indicated. Applicants must meet provincial/state licensing requirements.

• **Intra-Company Transferees.** This INA classification incorporates the present L-1 visa, but with the fast-track provision that a petition for immediate adjudication can be submitted at the port of entry, obviating a wait for adjudication at the INS regional office. Both Canada and the United States impose a maximum duration of five years for Intra-Company Transferees.

• **Agricultural Worker.** Under a Mexico-US FTA, the labor force coming north will consist largely of unskilled farm and seasonal labor. The Mexican labor force is growing by 1 million workers yearly; by the year 2000 it will number about 40 million. Unskilled workers from the southern Mexican states currently compete with Central Americans and Third World emigres as the main source of agricultural labor in the United States. The continued poverty and unsettled politics of Central America and other Third World nations will fill the ranks of undocumented "stoop labor" with refugees eager to work as farm laborers for years to come.

The Agricultural Worker category in the Immigration Reform and Control Act of 1986 (IRCA) provided for (1) Special Agricultural Workers (SAW) and (2) H-2A Temporary Workers primarily from the Caribbean Basin. The temporary entry of agricultural workers into the United States raises the specter of permanent overstays. The issue remains to be resolved. IRCA provides for legalization of SAW workers if they meet minimal criteria. However, a significant number of the 1.3 million applications submitted thus far have been fraudulent.

• **Industrial Worker.** The *maquiladoras*, or border factories in Mexico, require basic skills that exclude many Mexican nationals. The *maquiladoras*, which likely will continue to employ other nationals, legal or illegal, are a factor in need of FTA clarification. For instance, what if some or all of the 2,400 workers in Radford, Virginia, who lost their jobs when an AT&T plant was relocated in Matamoros, Mexico, opted to move to the southern border and sought re-employment by AT&T on the Mexican side? Under a Mexico-US FTA will *maquiladora* management hire trained workers who voluntarily, and at their own cost, move to the Mexican border? Management personnel classifications, less difficult to delineate, can follow INA non-immigrant Business Visitor classifications.

DIFFICULTIES

The United States forged IRCA (1986) and the Immigration Reform Act of 1990 (IMMAC) with relatively little difficulty compared to the difficulties

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ahead in a Mexico-US FTA. Senators and representatives of opposing philosophical views joined forces to incorporate constituent interests, especially on environmental, labor, and farm issues. The congressional alliance required for passage of IRCA and IMMAC will be even more necessary if the Mexico-US FTA comes to fruition. Legislators will be looking over the shoulders of negotiators just as constituents and lobbyists will be looking over the congressional shoulders. Congress will have ninety days after submission to approve or disapprove, without amendment, the final draft of any proposed FTA.

The Bush Administration scored an initial victory in late May 1991 in the granting of authority for fast-track talks during which negotiators will not have to go to Congress for each item in a proposed treaty. US labor unions and environmental interests opposed the fast-track initiative, industry appears to support it, and agricultural interests are divided. If forces are divided on the question of fast-track procedures, imagine the division on such a substantive and sensitive issue as migration.

"Since migration will present distinct problems for each country, it is in the interests of Canada, Mexico and the United States to attempt to resolve the coming human onslaught of Third World refugees at border entry points."

As quoted in *The Washington Post* on May 2, 1991, President Bush envisions a free trade zone from the Arctic to Acapulco. On the Mexican side, the media reports that President Salinas has substantial support with token environmental and labor opposition. Mexico anticipates and desires the eventual merger of the Mexico-US FTA with the Canada-US FTA. President Salinas, like his US counterpart, envisions an Arctic-Acapulco free trade zone.

LOOKING TO THE FUTURE

A Mexico-US FTA could help reduce the number of undocumented aliens crossing the southern US border. Mexico is committed to interdicting undocumented aliens attempting to cross its borders. In 1988, Mexico apprehended and deported 14,000 Central Americans; and in 1989, the number had grown to 85,000. The 1990 figure may be 160,000 apprehensions and deportations of Central Americans.

A properly constructed FTA could help the US Immigration and Naturalization Service control the borders. Since migration will present distinct problems for each country, it is in the interests of Canada, Mexico, and the United States to attempt to resolve the coming human onslaught of Third World refugees at border entry points. The desire for economic, personal, and social well-being by millions of the world's population will not be easily quenched. The economic success of North American FTA partners can only inspire greater efforts by Third World economic refugees to crash the borders. As long as political instability exists in Central America, and there are environmental disasters such as the African drought, North America will witness a constant testing of border integrity. Future Canadian, Mexican, and US immigration decisions can be shaped by the provisions and entitlements of well-executed free trade agreements.

The requirement for a "migration impact study" in any Mexico-US Free Trade Agreement could help resolve the local, regional, national, and international concerns for environment, human resources, migration, and refugees. As the intertwining of population and environmental issues becomes more evident, migration impact studies will need to be part of the new world vision. ■

[*This article contains the personal opinions of the author and does not reflect the opinions or policy of the Department of Justice nor the Immigration and Naturalization Service. JHW*]

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There is a dispute as to whether a free-trade agreement with Mexico will impede or impel migration across the southern border of the US. Richard Estrada, a columnist with the Dallas Morning News *urges the administration to take an honest look at what may well be a great influx, at least in the near term.* *© by* The Dallas Morning News, *this item is reprinted with their persmission.*

MEXICO MAY BE OVERPLAYING THE 'IMMIGRATION CARD'

By Richard Estrada

Just before his current tour of US and Canadian cities — designed to drum up support for North American free trade — Mexican President Carlos Salinas de Gortari predicted that if a US-Mexico free-trade agreement does not materialize, "millions" of Mexican illegal aliens will flood Texas and California in search of work. Now, is this hard sell or what?

US-Mexico free trade may in fact counteract mass immigration from Mexico, as Salinas suggests. But prominent US immigration experts, such as Michael S. Teitelbaum, former staff director of the House Select Committee on Population, and David Simcox, executive director of the Washington-based Center for Immigration Studies, believe that if those results are to be achieved, they may take generations.

In the short run, the free-trade pact itself might even trigger more northward migration, say veteran immigration observers. Specifically, earned income and enhanced skills from free-trade-related jobs in Mexico could provide workers there with the savings and work qualifications to resettle in the United States even sooner than they otherwise would have. Their decision to move would be based on the assumption that nothing is more likely to close their earnings gap with US workers quicker than to join them in the land of the free and the home of the shopping mall.

What Salinas is really concerned about — although it's politically impossible for him to admit it — is that in the absence of a short-run economic upswing in his country, the Mexican political system (and above all the ruling PRI party that is its emblem) may come under renewed political attack from nationalist political forces. Should the hectoring of the loyal opposition deteriorate into civil disorder, would the government respond with the relative tolerance of the past three years, or would there be an atavistic return to the night of Tlatelolco, the infamous 1968 massacre that left hundreds dead in Mexico City?

A sudden mass migration or refugee influx would center on a few key points along the nearly 2,000-mile US-Mexico border. Many Mexicans would simply walk across from Tijuana into Chula Vista, California, and others would cross into El Paso in their Broncos and Suburbans.

"...for Bush to accede to the argument that there is nothing the US government can do unilaterally to curb immigration is both erroneous and irresponsible."

Salinas may have overplayed the immigration card, but US presidents are particularly susceptible to ham-fistedness on immigration and refugee issues. Back in the first years of the 'secret war' in Nicaragua, President Reagan argued that the American people were obligated to help topple communism in Central America if they didn't want to see hordes of Central American refugees, fed up with communism, showing up on America's doorstep.

Carefully weighing immigration policy, ex-ante, is something that US presidents seldom do. Instead, they use immigration to ingratiate themselves politically with this or that domestic interest group, or they wave the issue like Teddy Roosevelt's big stick as a means of garnering concessions on some other issue. "Support my policy on the Contras (or free trade) and you'll be rewarded with the sweet carrot of no mass immigration."

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But for Bush to accede to the argument that there is nothing the US government can do unilaterally to curb massive immigration is both erroneous and irresponsible. He is sending exactly the wrong message to prospective illegal immigrants and feeding the potential for immigration-induced conflict between the two nations. Let millions of Mexicans abruptly flood Southwestern towns and even the most sensitive of liberals is going to demand the militarization of the region.

If Bush insists on using the immigration issue to garner support for the free-trade agreement, let him complement the dire warnings with a call for more resources for the federal immigration service to control the illegal immigration occurring right now. Such a move would be a good-faith signal to US workers and taxpayers that in addition to initially losing some jobs to Mexico as a result of free trade, they won't also be forced to face ongoing competition for jobs, low-cost housing and social services.

Immigration has always been of great significance to the American people, it is no less so today. But the setting of immigration policy must be viewed responsibly as an end in itself, instead of irresponsibly as a means to an end. ■

Awareness of the Numbers

Ignorance of what the figures are and of what a particular number [of immigrants] means favours the growth lobby. And ignorance about growth carries with it ignorance of the consequences of growth.... The implications of annual growth figures [in Australia] have not been stated in such a way as to make an impression on the general public and...they were not illuminated through any open drama of public debate. Silence and ignorance gave the growth lobby considerable room to manoeuvre. The less educated majority were uninformed and confused, and some of those were better placed to ask questions and initiate debate...seem to have known very little. It is possible that apologists for immigration who might otherwise support the ends promoted by low, or zero, population growth (conservation of resources, urban amenity, adequate housing, restructuring of industry, and the creation of decent job opportunities) justified their position themselves on the grounds that the numbers involved were so small that any negative consequences were bound to be trivial.

— Dr. Katharine Betts in
Ideology and Immigration: Australia 1976 to 1987
(Melbourne University Press, 1988) page 65.
Significant excerpts of Dr. Betts' book were
published in *The Social Contract*, Summer 1991.

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Rushworth Kidder reminds us that there are ethical as well as economic dimensions to trade discussions. Mr. Kidder wrote for many years for The Christian Science Monitor *and now heads the Institute for Global Ethics, Box 563, Camden, ME 04843.*

MEXICO AND FREE TRADE: THE ETHICAL DIMENSION

By Rushworth Kidder

Ethical dilemmas come in all shapes and sizes. Large or small, however, they raise profound concerns about right and wrong: at the heart of every individual moral struggle lie the questions, "What kind of person am I, and what do I want to become?"

That's true for nation-states, too. The Gulf War debate was about the role of the United States as world policeman and mediator. Now comes the debate over the United States as trading partner, embodied in the issue of a US-Mexico Free Trade Agreement (FTA) currently before Congress. These are both defining debates — points of inflection of the nation's moral curve — and they force us to ask what America is and what we want it to become.

So far, unfortunately, the FTA debate has been framed largely in economic terms. To its proponents, a successful agreement is right because it promises to create the world's largest trading bloc — stretching from the Yukon to the Yucatan, embracing 360 million Mexican, Canadian, and US consumers and developing an annual output of $6 trillion. To opponents, the FTA is not right because it threatens a loss of US jobs and the support of sweatshop wages and costly pollution in Mexico. "Right," for both sides, means "*economically* right."

"..not* shall *we participate in the international arena? but* how *shall we participate? To ask that...is to ask an ethical question..."

But there's a larger context here. Part of it is historical. "Separated as we are by a world of water from other nations," wrote George Washington during his second term as president, "if we are wise, we shall surely avoid being drawn into the labyrinth of their politics...." From that paean to isolationism to the drawbridge of protectionism is but a short step — or would be, were it not for an array of opposing arguments. "Restrictions on trade," wrote John Stuart Mill in *On Liberty*, "are indeed restraints; and all restraint, *qua* restraint, is an evil." Both these views have elements of rightness: depending on which has been in favor, the United States has historically had greater or lesser enthusiasm for the idea of free trade.

This larger context also involves the future. Like it or not, the 21st century will transform the world into a global community. It's already happening: when a nuclear explosion at Chernobyl poisons reindeer in Sweden, and when the desire to see the last episode of *Dallas* causes nomadic herdsmen in the Middle East to delay their annual migration for a week, can there be any doubt that President Washington's "world of water" is no longer even a moat? The question, then, is not "*Shall* we participate in the international arena?" but "*How* shall we participate?"

To ask that, in the spring of 1991, is to ask an ethical question: what's the right thing to do in regard to the FTA? On that point, a quartet of ethical issues arises:

1. Is the primary moral duty of a nation-state to *defend* its standards or to *spread* them? There are, after all, gross disparities between the haves and the have-nots: the developed nations, with only 25 percent of the world's population, consume some 82 percent of its resources. And these nations have very high standards — of wages, of health, of workplace safety, of environmental protection. Should they open their borders, offering to share these standards with their impoverished neighbors? Or would that ravage the fabric of Western economies, rendering them incapable of producing the goods, services, and technologies that now help sustain Mexico and the other poorer nations? Here, metaphor helps. Should

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we model ourselves after airline flight attendants, who tell us in an emergency to don our own oxygen masks first, so we can then help our children? Or is our model the milkweed, which conquers entire fields only after it yields to the wind and spreads its seeds freely?

2. Will the FTA genuinely advance the case for global free trade or merely create another super-bloc? Given the European Community's expanded internal market, scheduled for completion in 1992, and the proposals for a similar bloc among the so-called Asian tigers, the question is not an idle one. If those blocs bare their protectionist teeth to scare off trade from other parts of the world, would it be ethical to retaliate by growing our own fangs? Or would that, in the end, make life even worse for the have-not nations excluded from everyone else's trading blocs? In such an environment, we may indeed prosper inside our FTA. But would it be right and fair to do so if that made poor nations even poorer, or if it produced short-term North American profits at the cost of long-term global instability?

3. Are we capable of enforcing the FTA, or will it be little more than a nicely drawn set of ignorable provisions? Writing in 1933 about the environment, naturalist Aldo Leopold noted that "We have three possible controls: legislation, self-interest, and ethics." That's also true today for international trade. Will legislation alone be effective, and can it be enforced with equal authority on both sides of the border? If it can't, will economic self-interest ensure that the best products reach the best markets? And if law and self-interest both collapse, is there an ethical underpinning that, in the name of rightness, will call legislators and traders to account?

4. What are the likely results if the FTA proposal is defeated? One argument holds that the United States will be forced, as an alternative, to become an even more vigorous multilateral partner, finding global markets others have overlooked — while Mexico finds a sharp incentive to cleanse itself of corruption, tighten its child-labor laws, control its air and water pollution, and generally freshen its appeal to U.S. markets. The other view is that both nations will stagnate — the one driven out of foreign markets by smugly high-priced union labor, the other driven to despair by grinding poverty — and that illegal immigrants will surge northward across the border.

Standards, fairness, enforcement, alternatives — the FTA debate raises a host of ethical issues. Reasonable thinkers may disagree on which side is right. One thing, however, is inarguable: the outcome of the debate will both reflect and affect who we are and what we wish to be.

* * *

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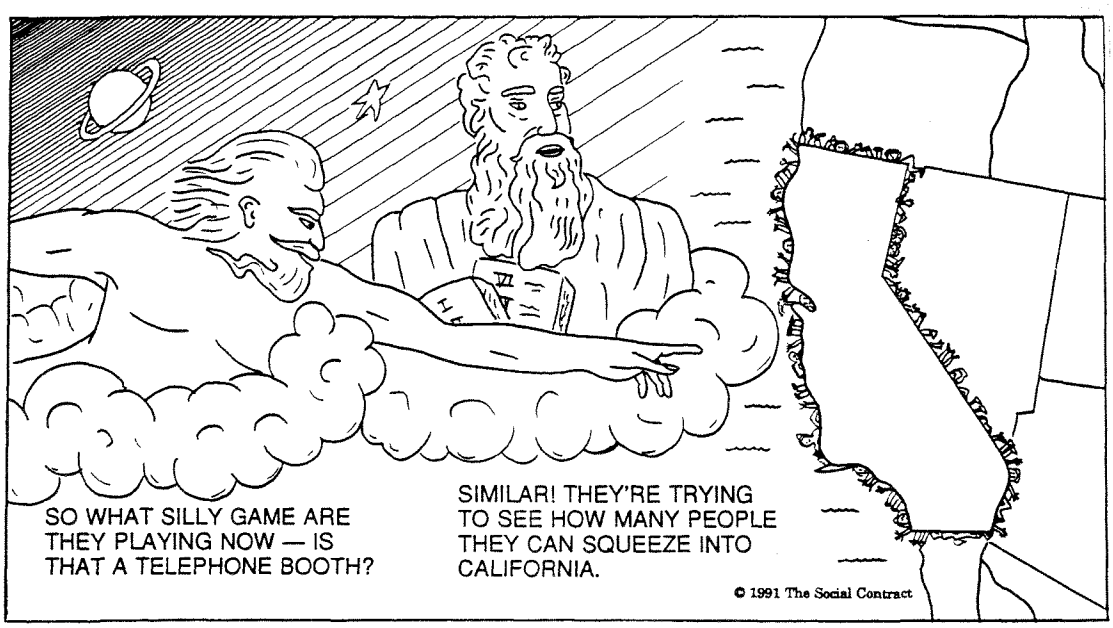
SO WHAT SILLY GAME ARE THEY PLAYING NOW — IS THAT A TELEPHONE BOOTH?
SIMILAR! THEY'RE TRYING TO SEE HOW MANY PEOPLE THEY CAN SQUEEZE INTO CALIFORNIA.
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JEAN RASPAIL : THE CAMP OF THE SAINTS, 1975

Wade Graham is studying at UCLA toward his Ph.D. in Comparative Literature. Fluent in French, Spanish and German, he has written an essay entitled "Mex-Eco? — Mexican Attitudes Toward the Environment" which will be published in the winter issue of Environmental History Review. *The essay deals with the Mexican approach to conservation and environmental problems, and the possible consequences of large numbers of people who hold these views retaining them as they migrate to the US. We have asked him to follow the developing debate in French immigration policy in that country's newspapers.*

Reportage

THE FRENCH IMMIGRATION DEBATE: THE SHORT, HOT SUMMER OF '91

By Wade Graham

Public debate over the role of immigration in France has for many years been a quiet affair, the product of a rare consensus between the center and the left on the basic values of the labor market and the right of asylum. France currently counts 3.7 million immigrants or 6 percent of the total population — not including illegals — a number which remains stable from year to year, as the roughly 400,000 new immigrants each year (births in France and new arrivals) are offset by the same numbers of acquisitions of nationality. France, like the US, considers political persecution, family reunification, labor market needs, and humanitarian concern as criteria for acceptance of prospective immigrants. What little audible discussion there is on questions of immigration has typically been distinguished by the propriety of its tone, its solemn respect for ethnicity, cultural freedom, and its liberal appreciation of the plight of the refugee.

Yet, for as many years it has been equally true that a perceptible undercurrent of xenophobia and intolerance persists in France, sentiments kept alive in the socialist era of President Francois Mitterand by Jean-Marie Le Pen and his ultra-right National Front party. For the majority of French citizens, the electoral success over the last decade of Le Pen's anti-immigrant platform (running 14 percent of the national vote and much higher in some areas) is a sad and shameful reminder of their nation's historic culpability. As does the US with slavery, France has its share of skeletons in the closet: the Dreyfus Affair, the deportation of French Jews during the Vichy collaboration, the brutal legacy of the wars of decolonization in Southeast Asia and Algeria.

On the other hand, this majority will point proudly to France's historic role as a *terre d'accueil*, a nation which welcomed and successfully integrated large numbers of Italian, Spanish, Polish, Russian and Jewish immigrants on the first half of this century. Placing itself between the United States, a "nation of immigration by nature," and the rest of the European countries, which until very recently were solely nations of emigration, France has founded much of its national identity on its ability and willingness to accomodate other cultures and other colors, integrating and assimilating them in a process known as *francisation*, an idea akin to the American melting pot.

In the second half of the century the composition of the migratory stream swung to the Third World, first with large numbers of North African Arabs, more recently joined by black Africans from France's former colonies in West Africa and the Caribbean, and by Turks, Lebanese, and Asians. As in Germany, Britain, and other countries, these immigrants helped fuel the massive industrialization of a Western Europe that was short of workers. However, the need for labor has decreased while the numbers of immigrants both legal and illegal has not and the mechanisms of *francisation* are beginning to show signs of stress.

On the other hand, the economic turndown and the gradual shift from the needs of heavy industry toward the skilled service sector contribute to rising unemployment for unskilled workers. The burden this places on the established immigrant communities is exacerbated by a simultaneous increase in employment of clandestine immigrants at below-market

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wages. These factors, among others, have naturally set the stage for an upsurge in conflict between native French workers and their immigrant "competition," a conflict which has been very adeptly exploited by Le Pen.

At the same time, France has lately been feeling the effects of unwise urban planning instituted in the years of growth. The writer Edgar Morin expressed the situation thusly:

> *The problem of* francisation *is posed today in the context of a crisis in modern urban civilization. The development of agglomeration and suburbanization at the expense of the city, the loss of solidarity and conviviality, the chronometrisization of life, all of which affects the whole French population, favors, among the most recent immigrants, the "ghetto" response, the clinging to old ties, as in tribal relations. This tendency then favors, among the young...the formation of ethnically closed groups...causing a further brake on assimilation."*[1]

And, from the point of view of cultural cohabitation, the pointed tension which has existed since the Algerian war between a widespread, strong Islam and the basic tenets of the French liberal tradition has lately threatened to worsen, particularly in light of French participation in the Gulf war. These "extreme tensions," writes Morin, "weigh in Damoclean fashion on our future."[2] Adding to all of this is the fact that France has increasingly seen itself gripped by a crisis of national identity. Not only are the Fifth Republic's schools, army, churches and other civil institutions thought to be in serious decline, many commentators actually fear that distinctive French traits are disappearing in the face of European consolidation and the American-led "global cultural homogenization" effected by film and television.

In this climate the question of immigration would seem to acquire a certain urgency. Indeed, although precious few in the public arena have dared to raise the question (beyond Jean-Marie Le Pen and his National Front cohorts) for fear of drawing charges of xenophobia and racism, reservations about continued immigration are common enough in private life. Acrimonious complaints of outdoor cooking, strange rituals, and uncleanliness are daily occurrences in culturally mixed neighborhoods. And, in the French version of our own Welfare Queen stories, one often hears of the Senegalese polygamist residing in the Goutte d'Or in Paris whose three or four wives and twenty children bring in 50,000 francs a month in government subsidies. Projections in the media of an ecological, economic, and demographic catastrophe in the southern hemisphere, with dire consequences for France and Europe, are not infrequent. Such a degree of popular discontent, fueled by the perception that the ruling socialists are unwilling to acknowledge any portion of the problem for ideological reasons, goes a long way towards explaining why 14 percent of the electorate have consistently thrown support to Le Pen.

"...despite the show of public unity, the pressures of large scale Third World immigration have, at some level, weighed on the collective mind."

In the 1980s the reactionary challenge posed by Le Pen tended to reinforce the commitment on the part of the majority to France's revolutionary traditions of tolerance and defense of *les droits de l'homme*. The decade was marked by massive street demonstrations against incidents of racial harassment, and by yearly benefit rock concerts organized by high-profile groups such as SOS Racisme. In September 1990, when a Jewish cemetery in the village of Carpentras was found defaced by anti-semitic graffiti, *within hours* tens of thousands of Parisians had poured into the streets in protest. On the whole, the debate over immigration was one-sided and overwhelmingly focused on the defense of multiculturalism by a united majority against the racist provocateurs of the National Front.

However, despite the public show of unity, the pressures of large scale Third World immigration have, at some level, weighed on the collective mind. This concern is periodically demonstrated by examinations in the media of the status of France's immigrant communities. "Yes, immigrants are a growing part of French life" the articles conclude, "yes, the mechanisms of integration and assimilation are stretched thin... but France can and will succeed in making the immigrants full members of society if

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we fight to "preserve republican and universalist France."[3] The existence of poor, dilapidated, immigrant "ghettos" in the suburbs was noted with some trepidation, and typically dismissed as part of the process of integration, a reminder to keep up the good work.

These immigrant-dominated areas, occasionally within traditional city centers, such as the Goutte d'Or in Paris, are more often found in the *cités nouvelles*. Collectively known as *banlieue*, the *cités* form a web of faceless conurban agglomerations hastily thrown up in the 60s and 70s on the periphery of every major French industrial city. One such *cité*, Mantes-la-Jolie, was quite favorably described just one year ago in the national press: "28,000 inhabitants, a majority of foreigners, 60 ethnicities live in Val Fourée (Mantes-la-Jolie). A model of successful cohabitation."[4] A year later, on the night of May 25, 1991, Mantes-la-Jolie erupted in violence between mostly North African youths and police after an incident involving the arrest of a young woman of Algerian descent, who died two days later in police custody. Over the next two weeks riots raged in other *cités*: Sartrouville, Vaulx-en-Velin, Mureaux, and again Mantes-la-Jolie. Four persons died, including one policewoman. The police themselves, reacting to public and official censure, marched in Paris to demand from the government clearer directives on the use of force — despite a ban on their demonstration. In the south, the children of *harkis*[5] built burning barricades on the highways around Narbonne and clashed with security forces.

"...after three years without elections, France is facing in 1992 the start of two years filled with no less than five election contests."

The politicians warned of a "long, hot summer" of violence, and invoked the US experience of the 60s in hushed tones. The press talked about a *malaise de banlieue*, and pointed finally to the general crisis that gripped France, searching for answers in the spiraling cycle of urban decay, unemployment, drugs and crime which is most acutely evident in the *cités*. Although the long, hot summer failed to materialize in the form of continuous disorder,[6] the government frantically sought solutions in the wake of the rioting. Plans were drafted and put into effect to ship poor immigrant youths out of *banlieue* and into the countryside for R and R. Yet no peep came from the Quai d'Orsay on the subject of the borders, no ruling party politician would broach the country's increasing uneasiness about its immigrant communities, which many citizens, both native and immigrant, felt were beyond the control of the socialists.

However, after three years without elections, France is facing in 1992 the start of two years filled with no less than five election contests. After Mantes-la-Jolie, the conservative opposition coalition RPR-UDF saw an opportunity to take to the offensive. Though the riots subsided, it was a long, hot summer in the French Chamber of Deputies, and on the pages of the nation's newspapers. What follows is a brief rundown of the debate — launched by the opposition and then gradually but decisively taken up by the socialist government — as it was reported in *Le Monde*, a major centrist Paris daily.

RUNDOWN OF PRESS COVERAGE
FROM *LE MONDE*

18 June: RPR-UDF deputies argue for greater control over immigration. Vocal conservative RPR mayor of Paris, Jacques Chirac, addressing an audience of RPR supporters, says "Integration is one of our traditions, but it has its limits."

19 June: Chirac declares that "the threshold of tolerance" has been passed, and illustrates with the comment that "the French worker goes nuts" having to live next to "the noise and odor" of immigrants. He states: "We don't reject foreigners. What is happening is that today there are too many. Our problem is not foreigners, it is that there has been an overdose." Further, he defends his approach to the issue: "I do not sympathize with M. Le Pen. But I don't see why he should have the monopoly on underlining the real issues."

21 June: Michael Poniatowski, former conservative Interior Minister, declares in an interview: "I do not share M. Le Pen's ideas in many areas, but on immigration... I would go further than even he!"

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Poniatowski proposed the following measures: "the termination of family reunification, the rapid expulsion of foreigners released from prison and of illegals, the termination of family subsidies for non-EC foreigners, the expulsion of foreigners unemployed for more than two years, the reestablishment of internal identity checks, and the installation in the Maghreb (North Africa) of industrial enterprise zones to allow them to maintain their labor force at home."

Socialist Prime Minister Edith Cresson declares the comments of Chirac to be "shocking" and "of a racist connotation." She accuses Chirac and Poniatowski of a rapprochement with the National Front for "electoral reasons."

Chirac defends himself, saying: "This is just what one hears in the streets, and to be honest, it's not worth hiding it."

22 June: Vivid reaction on the left to M. Chirac's comments. Cresson and other ruling party figures disclaim that Chirac "meant what he said." Many say "he is not a racist, as far as I know." The charge of electoral politics is leveled again. On the opposition side — after M. Poniatowski, in a *Europe 1* broadcast, compared the presence of foreigners in France to the German occupation — many RPR-UDF deputies are uneasy. Chirac's leadership into radicalization toward the far right is feared to be a trap which will favor the majority socialists in the coming elections. Chirac refuses to back down, refuses to use "wooden language," and vows to "say aloud what everyone is thinking."

In an interesting concession, Cresson, while condemning "demagogy," comes out in favor of stricter interdiction of illegal immigrants and a more careful distinction between political and economic refugees. She cites the growing deficit in the Social Security system as grounds for this posture.

23-24 June: A crisis of policy begins brewing in the socialist camp, a split is threatened by minority leftist deputies. President Mitterand cautions against excessive responses, and reaffirms a commitment to the "civil rights" of foreigners. He further raises the question of a provisional suffrage for immigrants, a position which is deemed inconceivable by the opposition. Leftists protested in the French Caribbean, demanding a mobilization "against all forms of racism and xenophobia."

25 June: Chirac affirms that he wishes to sound "an alarm": "We are at the limit. If measures are not taken to diminish the tensions, things will deteriorate more and more and will become ungovernable."

Jean-Marie Le Pen, for his part, says that Chirac "talks like Le Pen, but when he is in power, he will act like M. Mitterand," and further calls Chirac "a man of variable geometry" on the subject of immigration who seeks to "diabolize" the National Front by taking over its positions. The press characterizes Le Pen as "counting the points" and "hilarious" at the direction of debate.

A national TV poll finds that a comforting 50 percent of the public is not against M. Chirac: 15 percent of those polled were "very shocked" by his comments, 32 percent were "somewhat shocked," 17 percent were "perhaps not shocked" while 33 percent were "not at all shocked."

"...senate leader Charles Pasqua proposes the adoption of a quota system, similar to that used in the United States, based on nationality and profession."

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30 June, 1 July: The weakening Communist Party, once strong in France, is scandalized by the release of an internal platform document calling for immigration reform. Among its statements: "Drugs, violence, delinquency: Should we close our eyes when immigrants are involved for fear of being called racist? No, absolutely not!"

2 July: Government Minister of Social Affairs and Integration M. Jean-Louis Bianco announces stricter control of borders and punishment of abuses of immigration laws. On the subject of deportation, Bianco signals that there is a problem with using regular airlines because of "protestations and difficulties" on the part of the deportees. He points out that France currently refuses "85 percent of demands for asylum."

6 July: Former Minister and RPR senate leader Charles Pasqua proposes the adoption of a quota system, similar to that used in the United States, based on nationality and profession. Pasqua affirms France's need for foreign labor.

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Le Pen continues to stir the soup, saying during a London visit that the "probable invasion of our territory by foreign hordes could lead to a logic of war... justifying the recourse to arms." British Labour Party deputies demand his expulsion from the UK.

7-8 July: At a meeting of the Socialist Party steering committee a national congress is called for December to realign party policy on, among other things, immigration, before the 1992 elections. M. Pierre Mouroy accepts the need to deal with the problem of illegal immigration, but cautions that any socialist concessions to "public opinion" on the issue would cause them to lose "the elections, and their honor!"

9 July: Former President Giscard d'Estaing advocates a "zero quota" on immigration. The ruling Socialists, in disarray after Chirac's offensive succeeds in galvanizing public opinion, begin to make nearly spectacular concessions. The socialist minority faction of M. Chevenement declares its support for M. Pasqua's quota proposal. Prime Minister Cresson provokes another burst of controversy by envisaging the use of charter flights to carry out deportations. She states, jokingly: "I understand that (an airline) pilot would not want an extremely agitated person on his plane... we must do it another way... you call it charters. Charters are for people going on vacation at lower prices. In this case, it would be completely free and not for going on vacation..." Cresson responds to criticism by saying that she is "neither drifting nor slipping to the right — simply that the law has to be respected." She acknowledges that deportations had been spottily carried out.

10 July: Anti-racist organizations express their disquietude at Cresson's proposals, recalling the incident of a charter flight undertaken in 1986 by then-Minister Charles Pasqua to deport 101 Malians, claiming that it was a cruel media spectacle serving no purpose. Cresson responds that not only are the laws not being enforced, and that "the system does not work," but that the Social Security deficit justifies decisive action on clandestine immigration. Cresson blasts the Paris press for announcing that she had been "approved by the National Front."

11 July: The government approves a new package of laws on immigration. Although the package reaffirms the right of asylum and the principle of welcoming immigration, it included the following tough measures on illegal immigration: the issuance of transit-only visas, reform of the residence-registration procedures required of all non-EC foreigners, suppression of the provisional right-to-work for people awaiting asylum decisions, and tougher enforcement of frontier controls and deportations. Among the concessions made to the left were the promise to expedite the situation of over 100,000 people waiting for decisions on their asylum requests.

The reactions to the measures were strong on all sides. Many members of the opposition expressed their guarded approval. The Green Party led the left in declaring itself shocked, as "France is abandoning her principles." M. Le Pen called the move "dust in the eyes," a pure "media and electoral bluff" meant to cover the fact that "the government is preparing to grant asylum to 100,000 foreigners." A TV poll concluded that 66 percent of the public was in agreement with Mme. Cresson's immigration dossier.

"...perhaps most fascinating...is the spectacular speed with which a rigid political consensus became fluid and ultimately appropriated for itself some portion of [a radical and unsavory minority viewpoint]."

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13 July: Opposition leaders, calling Prime Minister Cresson's policies on immigration "twirling around with a wooden sword," demand an extra parliamentary session in September to debate the new measures. The Prime Minister resists the call for an extraordinary session calling it unjustified.

THE DEBATE SUBSIDES

After the announcement by the government of its new actions, the debate in France, at least as it was reported in the press, subsided. Chirac and Cresson were soon replaced on the front pages by coverage of immigration issues in other parts of Europe: the deportation of Albanians by Italy, the

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fears in Germany of an invasion from the East, as well as coverage of immigration-related dramas in the Third World.

The above summary should not be taken for a complete, in-depth picture of the summer's debate over immigration. In France, as anywhere else, the headlines tend to reflect more the posturing and firefighting of politicians than the truly substantive, articulate debate — and in this case, soul-searching — that accompanies any major political change. A great deal of balanced and pointed reflection was published over the summer by commentators on all sides of the issue, which we do not have the space to examine here. What the summary should outline, however, is the degree to which public opinion, once allowed, by the force of events, to surface and resolve itself, can effect major restructuring on issues which have traditionally been moot or taboo. This is acutely the case at election time.

What is perhaps most fascinating about the short, hot summer of 1991 in France is the spectacular speed with which a rigid political consensus that defined itself in opposition to a radical and unsavory minority viewpoint (Le Pen) became fluid, and ultimately appropriated for itself some portion of that viewpoint. The unprecedented moves by the Socialist Party can, of course, be seen as a pure strategy of electoral survival, yet the swiftness of their realization of the movement of public opinion on such a prickly issue is significant. At a certain point it became obvious to the ruling party — as it had so long ago to M. Le Pen, and, after Mantes-la-Jolie, to the opposition — that a strict adherence to the liberal tradition on immigration was politically untenable in contemporary France. Interestingly, it was only after the barrier posed by the taboo of "racism" had been breached — by risking the charge, by having the charge flung and then miraculously fail to stick to anything — that the French political mainstream's overdue realignment with public opinion could be undertaken.

One should point out that, as yet, no further decisions have been taken, nor have the calls for a "zero quota" subsided into the din after the Socialists' timely maneuver. With the coming elections as well as the challenge of agreeing to a Europe-wide immigration policy looming, the issue of immigration promises to remain a lively battleground in French political life.

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NOTES

[1] *Le Monde*, 5 July 1991.

[2] Ibid.

[3] Ibid.

[4] *Le Nouvel Observateur*, 13-19 September, 1990.

[5] Harkis: former Algerian combatants on the side of France who were repatriated to France after the war. Left in rural camps, the harkis and their families have waited since 1962 for the government to fulfill promises of resettlement, aid, and citizenship.

[6] Disorder failed to materialize with the exception of the children of the harkis who maintained and even stepped up their demonstrations and occupations, until the end of summer brought real concessions from the government.

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Reportage

BLACKS MEET TO DISCUSS ENVIRONMENT With No Mention of Population Growth

By Roy Beck, Washington editor of *The Social Contract*

WASHINGTON — Black leaders are displaying a heightened concern this season about the environmental consequences of immigration-fueled population growth. But in two major gatherings in the capital, the talk is only of the consequences.

At the environmental braintrust of the Congressional Black Caucus Foundation's 21st Annual Legislative Weekend on September 13, the words "population growth" and "immigration" were not spoken. That was the case even though the most mentioned concern was air pollution caused by burgeoning numbers of automobiles. Asked privately about the omission, some suggested that population growth either isn't an environmental issue or is politically impossible to discuss.

In a prepared statement that typified the view of participants that blacks suffer the greatest harm from pollution, US Rep. Ronald V. Dellums, D-Calif., said: "I am outraged as I am made aware of how minorities suffer disproportionately from environmental pollutants such as poor air quality, lead poisoning and poor drinking water in our urban areas."

The chief culprit in air pollution now is the automobile, several speakers said. We have been successful in eliminating the majority of industrial emissions — meanwhile cars have proliferated.

"It is clear the predominant problem is in the inner cities," said Joanne Underwood, president of the INFORM environmental research organization. She raised the troubling statistic that carbon monoxide now violates health standards in 43 cities, subjecting its victims to fatigue, headaches, and lack of attentiveness — a devastating blow to those inner city residents who are under-educated, under-employed, and under-skilled.

And the cure may sometimes be as painful as the disease for some people, indicated Sharon Morris, legislative officer of the South Coast Air Quality Management District (Los Angeles area). In order to accommodate the emissions of an ever-increasing fleet of automobiles — even after measures to curtail their use and to control their emissions still further — the government is going to have to crack down hard on small businesses over the rest of this decade, she said. That will force the closure of many firms and have a disproportionate impact on black owners and employees, she affirmed.

Asked afterward if leaders were considering limits on population growth as one option to lessen the impact on small businesses, Morris answered: "Oh my, no. We can't touch the idea of limiting population growth. It isn't politically allowable." She said all decisions about trying to clean the air take into account that continued high population growth is an essentially inevitable force.

Leaders at the braintrust session said they were expecting a major increase in ethnic environmentalism, especially after the boost of a National People of Color Environmental Leadership Summit in Washington, October 24-27.

The organizer is the Rev. Ben Chavis, head of the United Church of Christ's Commission for Racial Justice, and a long-time activist against environmental threats to ethnic communities. When asked about population concerns, Chavis said the only mention of population at the conference would be related to the changing ethnic demographics as reported by the recent census.

Neither he nor the conference will be dealing with population growth as an environmental factor, he said. Chavis, who is black, told the Congressional Caucus that environmental issues can be used to bring Hispanics, Native Americans, "and to some extent Asians" into a close working relationship with blacks that often is not possible on many other issues. ■

[*We welcome Roy Beck as Washington editor of* The Social Contract. *Mr. Beck headed the Washington Bureau of Newhouse Newspapers' Booth subsidiary from 1987 to 1991. He is working on a book about the effects of US population growth and immigration policy on the US environment and quality of life.*]

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Will the numbers of immigrants and their racial, religious, and cultural backgrounds affect the way Europeans think about immigration to their lands? The editors of The Economist *evidently think so. The following item is from the March 16, 1991 issue,* *© 1991 The Economist Newspaper, Limited, reprinted with permission.*

POOR MEN AT THE GATE

Those teeming thousands demonstrating in the shadow of the Kremlin must look threatening to Mikhail Gorbachev, as he thumbs dejectedly through yet another report on the Soviet Union's economic decline. They look increasingly sinister to westerners too. Even before two boatloads of fleeing Albanians arrived on Italy's reluctant shores, it was clear that the crumbling of Europe's communist bloc would drive many of its citizens to seek their fortunes in the West. Once western governments began worrying about immigration from east to west, they noticed that even larger numbers would want to move from south to north. Immigration, with all its uncomfortable baggage of racism and nationalism, is set to become one of the hardest issues for liberals to handle, because the old liberal preference for an open-door welcome is not going to work any more.

Already, developed countries are receiving immigrants from new places, and on an unprecedented scale. America accepted more immigrants in the 1980s than in any previous decade in history. And immigrants of a quite different kind: in 1965 the proportion of European to non-European immigrants was nine to one; 20 years later that ratio had been reversed. The long-term consequences of the change will be huge. Today more than three-quarters of all Americans are white; by the middle of the next century that proportion may have fallen below half. Among California's schoolchildren, it already has. As one American pundit puts it, "People of 30 and older will increasingly have the experience of growing up in one kind of country and of growing old in another." In some parts of the United States, Americans will thus share the experience of new immigrants simply by staying at home.

The way rich countries react will depend partly on their past. America, a land built by immigrants, has a strong commitment to welcoming newcomers. Europe, by contrast, has traditionally exported people. Its southern countries — Spain, Italy, Portugal, Greece — remained net exporters well into the 1970s. Even when northern Europe began to recruit workers in Turkey, Yugoslavia and the Caribbean, the myth persisted that these were temporary guests, who might one day go back to where they came from. Yet several European countries are now home to more foreigners, proportionately, than the United States. Over 8 percent of Britain's population and 11 percent of France's are foreign-born, compared with 6 percent of America's.

More will come. The first rush, from Eastern Europe and the Soviet Union, has already begun, with roughly 2 million people leaving there last year. As unemployment sweeps through Eastern Europe and the Soviet Union disintegrates, the numbers may continue in the low millions in each year of the 1990s. The citizens of Western Europe, already suffering from rising unemployment, are deploying troops to keep out refugees at the old Iron Curtain.

"Immigration...is set to become one of the hardest issues for liberals to handle, because the old liberal preference for an open-door welcome is not going to work any more."

Immigrants from Eastern Europe and the Soviet Union will be easy to absorb, though, compared to what may follow. The communist countries, present and former, are lands of stable or falling populations. Given two decades of economic recovery and (harder to predict) an absence of ethnic strife, Western Europe's eastern neighbors will mostly prefer to stay at home. Even most of those who move will share with their hosts a common inheritance in terms of race, religion, education and culture. They are, after all, Europeans.

Not so most of the potential immigrants from the south. The population of the world's poorer

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countries is growing twice as fast as Europe's did at its peak in the late 19th century, when its huddled masses crossed the Atlantic. The population of the rich world will probably stabilize well below 2 billion, but in poorer countries the numbers will rise from about 4 billion now to more than 8 billion and maybe, in 40 years or so, to more than 12 billion. Most of those billions may prefer to stay home, but the movement of even a tiny fraction would appear to northerners as an invasion.

Plenty of pressures will encourage people to leave the third world. Lack of jobs, lack of land and lack of water will squeeze living standards at home; education and television will paint rosy visions of better lives abroad. Cheap air fares will make the journey worth the gamble. Northern employers, anxious for adaptable young brawn as native workers age and become set in their ways, will be willing allies.

A DOZEN MILES ACROSS THE MED

The greatest gap, demographic and economic, will yawn between the two shores of the Mediterranean Sea. Earnest Spanish civil servants already talk of Europe's 'southern flank'; the military overtones, the sense of siege, are unmistakable. For while the growth of population has started to slow down in Latin America and Asia, the lands from which most of America's latest immigrants have come, in much of Africa it is still accelerating. And though real incomes in North America are far higher than in Latin America, the gap between Africa and Europe is almost twice as great.

As Africa grows younger, Europe ages. On the Mediterranean's southern shore, the average woman has between four and six children; on the northern shore, between one and two. Each year one million more babies are born in the countries of north Africa than in the European Community. By 2025 a number of African countries that now seem medium-sized will have populations that equal or dwarf those of the larger countries of Europe. Turkey will have 20 million more people than united Germany; Sudan as many as France; Egypt as many as Spain and Italy combined. The fastest growth will be among the young, the age group most willing to do a Dick Whittington. To a youngster in Cairo's slums, Italy will seem a land of fabulous wealth. Measured in terms of purchasing power, its living standard is four times that of Egypt. And Egypt is rich by sub-Saharan standards.

"For white liberals...the hardest thing is to recognize that the scale of immigration changes the way countries react to immigrants."

TAKE THE WEALTH TO THE PEOPLE

For white liberals, brought up to believe in equal human rights and free movement of labor, the hardest thing is to recognize that the scale of migration changes the way countries react to immigrants. Today, no country in the world allows free immigration: the voters would not stand for it. As the number of aspiring immigrants grows, only tough controls will insure the safety of those black and brown workers who have already arrived. Otherwise, all will risk persecution as gate-crashers. To minimize racism at home, many countries need to have racist controls on immigration.

But even the toughest controls will not stop people from trying to climb over the gates if conditions back home are desperate. Rich countries will bully and bribe poorer ones to hang on to their citizens. Aid programs will emphasize jobs, not just investment. But trade will help more than aid. If poor countries are to boost the incomes of their spiraling numbers, they need to create jobs. Yet the most labor-intensive industries — textiles, metal manufacturing, engineering, food processing — are all ones where rich countries struggle most fiercely to protect their own markets. Absurdly, those industries often survive in richer lands partly by employing cheap immigrant labor. Wise governments will let jobs go to the countries that can do them most efficiently.

As for companies in today's industrialized world, they should stop clamoring to import workers and take their investment abroad instead. Japan has chosen to export capital rather than import labor; western companies must copy it. If, as a result, poor countries grow rich faster than the already-wealthy, all to the good. If foreign trade and investment do not narrow the gap between rich world and poor, then vast movements of humanity will try to do so instead. ■

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Robert Kuttner is economics correspondent for The New Republic *and author of* The End of Laissez Faire. *In this article Mr. Kuttner takes a cautious look at the ID question. Reprinted from the August 26, 1991 issue of* Business Week *by permission.* *© 1991 by McGraw-Hill, Inc.*

ILLEGAL IMMIGRATION: WOULD A NATIONAL ID CARD HELP?

By Robert Kuttner

Peek into any US hotel or restaurant kitchen, and you are likely to spy foreigners without green cards through the dishwasher steam. These workers are known as "illegal aliens" or more benignly as "undocumented workers," depending on your view of the issue. Foreigners authorized to work in the US can also be found in garment factories, tomato fields, parking garages, taxicabs, behind a broom, and performing a host of other tasks whose common features are long hours, scut work, and low pay. Millions of such workers continue to flood the labor force despite a long-fought 1986 immigration-reform law that liberalized legal immigration in exchange for what was supposed to be a crack-down on unlawful entry and employment.

The novel idea of the 1986 law was to hold business accountable for hiring improperly documented workers. But the law had to be watered down to win enactment because of opposition from employers who justifiably resisted being deputized as border guards, and from civil rights groups with legitimate fears that anyone with a Hispanic surname or Asian features might be subjected to the third degree. In practice, an employer need only make a reasonable effort to examine a worker's documents — a Social Security card will usually do — and the employer is legally off the hook. But of course, such documents are notoriously easy to forge or misuse.

LONG HOURS

In the real world, according to a source in the restaurant industry, the system works like this: An unauthorized immigrant job applicant produces either a borrowed Social Security card or a forged one. Other corroborating fake IDs are even easier to get. The worker then claims a very large family — so many that no withholding is taken out of his or her paycheck. My source says he doesn't know — or care — which of his employees are working under their own names, which ones are citizens, or which ones are aliens. What he does know, he says, is that they are all hard workers. Many of them work the breakfast shift in one restaurant, the day shift at another, and even dinner at a third. Living collectively and working a 14- or 16-hour day, they can make close to $1,000 a week, effectively tax-free except for deductions for FICA (Federal Insurance Contribution Act). Most of their earnings are sent home to El Salvador or Colombia. Or Nigeria, or Ireland, or China, or Haiti, or Mexico, or wherever.

What are we to make of this? In a sense, there is a crude social bargain here. The unauthorized workers enjoy the benefits of US residence without paying US income tax. US consumers and employers get the benefits of these hard-working foreigners, whose wages — though low — are infinitely greater than they could earn in their homelands.

On the other hand, foreigners receive no benefits from payroll deductions credited to bogus Social Security numbers. Also, billions of dollars worth of wages are sent out of our economy, rather than going to purchase goods and services here. And hard-won benefits to American workers — minimum wage, the eight-hour day, pensions — are undermined by the enormous underground economy.

AMBIVALENCE

Recently, the Immigration and Naturalization Service announced the latest in a series of futile crackdowns. In the past four months, approximately $3.2 million in fines have been imposed on employers for hiring obvious illegals. But that's about a dollar for each of the estimated 2 million to 4 million foreigners working illegally in the US. For the entire country, the INS has only about 1,800 special agents working in non-border areas, with

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several hundred of them devoting their time to other matters, such as smuggling or fake marriages.

The deeper problem, I suspect, is a profound public ambivalence about the entire question. With the exception of native Americans, we are a nation of immigrants. Some of our parents and grandparents sneaked into this country and went on not only to thrive but to give a good deal back. In the 1960s, when liberals were indignant about illegal immigrant workers, conservatives responded that such workers were more of an asset than a drain on the economy. That debate continues. Some have even argued that our borders should simply be thrown open.

Moreover, Americans also have a pathological distrust of government identification cards. Until recently, Social Security cards carried the utterly disingenuous disclaimer: "For Social Security and tax purposes — not for identification," even though Social Security numbers are now in standard use for driver's licenses, bank accounts, insurance policies, passport applications, and so on.

If America were more adult about this issue, like some Western European nations, we might save ourselves endless inconvenience by establishing a single official ID. Employers could ask to see it, and counterfeiting it would be a serious crime.

That way, Americans might finally decide just what sort of immigration policy they really want and have that policy enforced. The current situation, while randomly helping a number of lucky individual migrant workers, has the corrosive side effect of eroding the rule of law. ■

The Future of Engineering

The influx of foreigners into US engineering departments — where 20 percent of all faculty positions are currently vacant — may solve one problem but exacerbate others. Presidential science adviser D. Allen Bromley, speaking at a conference on engineering manpower staged last week by the American Association of Engineering Societies, said there are three "negative consequences" of the shortage of native engineering faculty.

One problem is that foreign faculty members are contributing to the "intellectualization of engineering," because training in many other countries tends to emphasize the theoretical over the hands-on aspects. Another drawback is that many foreigners come from cultures that "believe women have no business in the science and engineering professions." But perhaps worst of all, Bromley indicated, many foreign engineers have such a poor grasp of English that they can't teach effectively. "You would be surprised at some of the letters I get from irate parents," he told the audience. Parents are complaining that their expensively educated offspring are "coming home at Thanksgiving and telling them they haven't understood a damn word of anything the teaching assistants have said since they arrived."

— From *Science*, September 1991

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David Simcox is Director of the Center for Immigration Studies in Washington, DC. A student of the ID question, his views have evolved toward the use of the driver's license rather than the Social Security card where ID is needed. He recently testified on the topic before the Ways and Means Committee's Subcommittee on Social Security.

USE OF THE SOCIAL SECURITY NUMBER AS A NATIONAL IDENTIFIER: Testimony

By David Simcox

Mr. Chairman: I am happy to have the chance to appear today before this committee on the complex question of the proper use of the social security account number as a national identifier. The Center for Immigration Studies, which I head, is a non-profit research and policy analysis group, one of whose objectives is to examine the means for humane and effective enforcement of our immigration laws in ways consistent with democratic values. Central to this undertaking is consideration of the appropriate use of non-intrusive secure identification systems in support of such legislated objectives as enforcement of employer sanctions, the screening of non-entitled aliens from public assistance rolls, and federal prohibitions on ownership of firearms by illegal aliens and persons who have lost their US citizenship.

The appropriate balancer among the imperatives of security, efficiency and privacy of national identification systems is a question now facing other western industrial nations along with the United States. Recognizing the transnational character of this issue, the Center for Immigration Studies sponsored in November of 1990 an international conference of identification and privacy experts from thirteen industrial nations, including the Soviet Union and Japan. Discussions ranged over such issues as the appropriate purposes of and safeguards for national identification numbers; special purpose identification numbers such as those for tax, social insurance, voter registration and property ownership; national identification cards for citizens and aliens; and national population registers. The conference also addressed safeguards for the security and privacy of vital records

An important issue at the conference was the nature and extent of the threat of abuses of privacy from national ID numbers, or from special purpose numbers now broadly used, such as the US social security number and Canada's social insurance number (SIN), because of their facilitation of computer matching. There was general agreement that special use numbers covering broad populations become a valuable public administration resource that tends to invite use for purposes not originally intended. But representatives of the Western European continental democracies showed greater pragmatism than the US and other common-law countries (UK, Australia and Canada) in accepting the public administration advantages of such systems. Moreover, unlike the United States, nearly all Western European countries have the extra protection of centralized, semi-autonomous data protection agencies or privacy commissions to guard against abuses of ID numbers and related data, backed up by legislation based on international privacy standards.

There was considerable discussion of whether ID numbers do in fact facilitate the matching of data to a dangerous degree. The assumptions underlying that proposition were questioned. It was noted that the existence of ID numbers as identifiers is no longer a necessary condition for efficient matching of personal data; in any event, unauthorized matching is best discouraged by means other than the imposition of "inefficient identifiers."

Evidence was presented showing that highly efficient matching is possible without ID numbers, using such identifiers as names and birth dates — an efficiency that steadily improves with advances in computer technology. The second questionable assumption — that technical self-limitation is an effective safeguard — is particularly applicable to the US experience. As Norwegian delegate Knut Selmer expressed it:

> *The defense of democratic values must be sought elsewhere. The suppression of*

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birth numbers or other technical means will only postpone the troubles; technical obstacles could always be circumvented. There must, in other words, be a constant awareness in political circles that data technology can endanger our democratic values. Furthermore, there must be potent public organs with the single task of supervising the use of computers in the administration, and sounding the bell if the development gives rise to anxiety (Selmer, 1990).

I share this view. The massive collections of data now held by Federal and state agencies and managed with the most sophisticated data processing techniques can be seen as a rich resource rather than as Leviathan, not as a threat but as an opportunity for highly efficient public administration and provision of services that improve our quality of life, our protection from crime and abuse, and even our privacy. Self-imposed inefficiencies in the management of such a resource as a protection against abuse is wasteful and ultimately self-defeating. An enlightened democratic society is capable of devising far better and more flexible safeguards.

IDENTIFICATION ANARCHY UNDERCUTS IMMIGRATION CONTROL

It is hardly news that this country's diverse and decentralized non-system of personal identification is what the Reverend Theodore Hesburgh called "anarchic," an open invitation to massive fraud and abuse and a serious impediment to effective law enforcement, including compliance with the immigration laws. Such a system also entails its own unique threats to individual privacy. The Federal Advisory Committee on False Identification (FACFI) amply documented this broad pattern of abuse in its 1976 report. While the situation has improved a little since the mid-1970s, Congress has since approved a series of laws that demand better identification for their effective enforcement or which increase the penalties on those engaging in abuses of documents. Congress in the 1984 Omnibus Crime Control Act required Federal agencies to move toward greater commonality in their own identification systems and directed the Executive Branch to submit recommendations for secure federal identification systems by 1987. Unfortunately the Executive has ignored this Congressional instruction.

No Federal enforcement effort has been more hampered by document fraud than sanctions against those who employ unauthorized aliens. Pervasive and easily available counterfeit documents purporting to establish work authorization are seriously undermining the deterrent effect of the 1986 immigration reforms, eroding basic respect for the law in general. The resurgence of illegal immigration in 1990, as indicated by a sharp rise in apprehensions of illegal aliens after three years of decline, suggests that once-hesitant candidates for illegal entry into the American workplace are now convinced that employer sanctions are easily evaded.

"No federal enforcement effort has been more hampered by document fraud than sanctions against those who employ unauthorized aliens."

Looking at the diversity and unreliability of the crazy-quilt of documents authorized by the Immigration and Naturalization Service (INS) to prove identity and/or work eligibility, it's hard to see how enforcement of sanctions could be anything but confused — for employers and workers as well as enforcement officials. INS originally designated 17 different documents as acceptable for use. But a number of the acceptable documents are in themselves broad categories of diverse documents of varying quality and reliability, further taxing the employer's ability to judge authenticity among so many different permutations. Some examples:

- Drivers licenses, issued with different formats, security standards and personal data by 50 states and five other jurisdictions.
- Baptismal records, issued without uniform standards or formats by nearly 100,000 parish churches that practice infant baptism.
- Social Security cards, with more than 15 versions in use, and only the most recent with any counterfeit-resistant features.
- Voter registration cards, issued in different formats by the 50 states, often by mail with no confirmation

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of identity or legal residence status.
• INS "green cards," with three versions in use, two of them readily counterfeitable.
• A basic breeder document for other ID, the birth certificate is issued by some 7,000 different jurisdictions, with widely varying formats and security arrangements.

Besides undermining enforcement, this jumble of easily abused documents has placed otherwise well-intentioned employers in a dilemma: many have responded by accepting suspect documents "no questions asked;" while others have unintentionally discriminated by insisting on specific documents of presumably greater reliability from job seekers.

OPTIONS FOR BETTER VERIFICATION: A SOCIAL SECURITY CALL-IN SYSTEM

So the identification arrangements set in place since the 1986 Immigration Reform and Control Act (IRCA) have clearly failed. Now is the time to move to more secure systems as that law envisaged. But while the responsible agencies have completed the mandated studies of the options for telephone-in systems, secure social security cards, and employer validation of the social security numbers of job candidates, there has been little movement toward actual choice and implementation of alternative systems in the nearly five years since IRCA.

"...I believe that prudent use of the social security number can greatly contribute to current efforts to make basic ID documents more fraud proof and establish effective verification systems..."

INS has been stalled for nearly three years in getting the go-ahead for a pilot project to test a phone-in system of verification. The system to be tested is at best modest in scope and only partially responsive to broad enforcement needs. It will provide verification only to those job seekers who are — or who admit to being — foreign born and it relies on a data base keyed to the Alien ID number or "A number," rather than the social security number.

Legislation failed in the last Congress to authorize a limited pilot project in a few states to examine enhanced security features, including biometric identifiers and personal data, that would make the drivers license or non-drivers state identification card a key document in worker verification.

Mr. Chairman, I believe that prudent use of the social security number can greatly contribute to current efforts to make basic ID documents more fraud proof and establish effective verification systems, without violating legitimate privacy concerns or loading major uncompensated administrative costs on the government.

Over the longer term, if the burdens and perplexities of the nation's seven million employers are to be eased, IRCA-related job discrimination banished, and unauthorized employment ended, it will be necessary to move to a universal call-in system (using phone, modem, or point of sale device) based on the social security number that would verify the 50 to 60 million hiring transactions that occur in the US economy each year. While such a system would entail added administrative costs, these would be offset by reduced costs of workplace investigations and other on-site enforcement measures that would be obviated.

The amount of individual data on nearly 250 million social security enrollees required for such a verification system should be limited to the minimum required to establish positive identification. The data base containing it should be administered separately from the main files of the Social Security Administration. If a transaction number were provided to employers for each phone-in verification, the employer would have a record of compliance, ultimately making it possible to dispense with the burdensome I-9 verification form.

There would be other administrative benefits as well. Verification of job applicants against social security account data would aid in ridding the system of invalid or inactive numbers and in controlling use of numbers by more than one person or by imposters. Avoidance of FICA taxes would be reduced.

I recognize that political, privacy and budgetary concerns work against early creation of such a universal system. But Congress should authorize pilot

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projects involving the departments of Justice and Health and Human Services to further refine the concept and draw on the experience of other on-going projects for enhancing ID systems.

"Congress should promptly authorize a pilot project to work with interested states in developing uniform drivers licenses... secured by a biometric identifier..."

NEAR TERM IMPROVEMENTS: A CALL-IN SYSTEM AND SECURE DRIVERS LICENSES

In the interim, the following measures, more politically and administratively feasible, would help restore the credibility of IRCA and enhance the general quality of identification in the country, most of them involving use of the unique resource of the social security number:

• The INS should begin without delay the pilot project for phone-in verification of worker eligibility, testing it among a variety of employers and conditions. Reliance on the "A-number" on the INS data bank, the "Central Index," entails serious limitations and will impede the ultimate evolution of a far more efficient, universal system based on social security numbers. But as an interim measure, all individual files on the INS central index should contain the alien's social security number as well as "A-number," appropriately validated by the Social Security Administration.

• Congress should promptly authorize a pilot project to work with interested states in developing a uniform drivers license and state ID card secured by a biometric identifier, such as a digitized fingerprint or photograph, and by a social security number of the bearer pre-validated by the Social Security Administration. The project should build on the innovations for data storage in the new California drivers license, moving ultimately to the use of "smart cards." The drivers license could be appropriately coded for use in employment transactions in proving both identity and eligibility to work in the US. A simple binary code would specify either that the bearer was unconditionally eligible to work in the US, or that the document was valid for work eligibility only when presented in conjunction with a suitable INS document. Personal data on individual drivers would remain under the control of the license-issuing states, but available for rapid exchange among the states upon legitimate request through a central clearing house.

The existence of numerous models, precedents and preparatory studies would permit rapid progress toward secured licenses and non-driver ID cards for the nation's nearly 180 million users. The Commercial Drivers Licensing System (CDLS) now serves as the model for secure licenses using biometrics. Covering five million truck and bus operators, CDLS has a central clearing house for sharing of data among the states to prevent multiple licensing and to track problem drivers.

The social security number now is used for drivers licenses by 41 states. In its 1988 report to Congress on the feasibility of a system of employer validation of social security numbers, the Social Security Administration counterproposed a system of pre-validating social security numbers on licenses for the states. With costs and political considerations impeding the development of a secure social security card, the secure drivers license or state ID card with a pre-validated social security number would become a useful surrogate in transactions where confirmation of the social security number is needed. The states would also thus be positioned to ensure the integrity of the voter rolls if Congress were to enact "Motor/Voter" legislation as originally considered in the 101st Congress.

Finally, the concept of pre-validation of social security numbers should be considered for use in other vulnerable identification systems, such as passports issued by the Department of State. The machine-readable personal data page of the US passport, with pre-validated social security number and a biometric identifier, and with secure lamination and other tamper-proof features, could be produced and sold to passport holders as a secure, voluntary ID card. Such cards, uncontestable evidence of identity and work eligibility, could be an important revenue raiser and an alternative document for travel within North America and Western Europe.

Thank you. ■

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Mary Ann Glendon contends that the language of "rights" has so invaded the public scene that creative political discussion has become almost impossible. Ms. Glendon is a Professor of Law at Harvard University; her Rights Talk: The Impoverishment of Political Discourse, *© by Mary Ann Glendon, was just published by The Free Press, New York, a division of Macmillan, Inc. In lieu of a review we present the preface from her book.*

RIGHTS TALK: THE IMPOVERISHMENT OF POLITICAL DISCOURSE

By Mary Ann Glendon

In the spring of 1990, men and women in East Germany and Hungary participated in the first fully free elections that had taken place in any of the East European countries since they came under Soviet control in 1945. Excitement ran high. The last people to have voted in that part of the world were now in their seventies. Some young parents, casting their ballot for the first time, brought their children with them to see the sight. Many, no doubt, will long remember the day as one marked with both festivity and solemnity. Meanwhile, in the United States, public interest in politics appears to be at an all-time low. Two months before the 1988 presidential election, polls revealed that half the voting-age public did not know the identity of the Democratic vice-presidential candidate and could not say which party had a majority in Congress.[1] In that election, only half the eligible voters cast ballots, thirteen percent less than in 1960. Americans not only vote less that citizens of other liberal democracies, they display a remarkable degree of apathy concerning public affairs. Over a period of twenty years, daily newspaper readership has fallen from seventy-three percent of adults to a mere fifty-one percent.[2] Nor have the readers simply become viewers, for ratings of network evening news programs have dropped by about twenty-five percent in the past ten years, and the slack has not been taken up by cable television news. Cynicism, indifference, and ignorance concerning government appear to be pervasive. By all outward indicators, the right and obligation to vote — a subject of wonder to East Europeans, and the central concern of many of us who worked in the civil rights movement of the 1960s — is now held here in rather low esteem.

Poor voter turnouts in the United States are, of course, mere symptoms of deeper problems, not least of which are the decline of broadly representative political parties, and the effect of the "sound-bite" on serious and sustained political discussion. On this deeper level lies the phenomenon with which this book is concerned: the impoverishment of our political discourse. Across the political spectrum there is a growing realization that it has become increasingly difficult even to define critical questions, let alone debate and resolve them.

Though sound-bites do not permit much airing of issues, they seem tailor-made for our strident language of rights. Rights talk itself is relatively impervious to the other more complex languages we still speak in less public contexts, but it seeps into them, carrying the rights mentality into spheres of American society where a sense of personal responsibility and of civic obligation traditionally have been nourished. An intemperate rhetoric of personal liberty in this way corrodes the social foundations on which individual freedom and security ultimately rest. While the nations of Eastern Europe are taking their first risk-laden and faltering steps toward democracy, the historic American experiment in ordered liberty is thus undergoing a less dramatic, but equally fateful, crisis of its own. It is a crisis at the very heart of the American experiment in self-government, for it concerns the state of public deliberation about the right ordering of our lives together. In the home of free speech, genuine exchange of ideas about matters of high public importance has come to a virtual standstill.

This book argues that the prominence of a certain kind of rights talk in our political discussions is both a symptom of, and a contributing factor to, this disorder of the body politic. Discourse about rights has become the principal language that we use in public settings to discuss weighty questions of both right and wrong, but time and again it proves inadequate, or leads to a standoff of one right against

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another. The problem is not, however, as some contend, with the very notion of rights, or with our strong rights tradition. It is with a new version of rights discourse that has achieved dominance over the past thirty years.

Our current American rights talk is but one dialect in a universal language that has developed during the extraordinary era of attention to civil and human rights in the wake of World War II. It is set apart from rights discourse in other liberal democracies by its starkness and simplicity, its prodigality in bestowing the rights label, its legalistic character, its exaggerated absoluteness, its hyperindividualism, its insularity, and its silence with respect to personal, civic, and collective responsibilities.

"Our rights-laden political discourse does provide a solution of sorts to the communications problems that beset a heterogeneous nation whose citizens decreasingly share a common history, literature, religion or customs. But the 'solution' has become part of the problem."

This unique brand of rights talk often operates at cross-purposes with our venerable rights tradition. It fits perfectly within the ten-second formats currently preferred by the news media,[3] but severely constricts opportunities for the sort of ongoing dialogue upon which a regime of ordered liberty ultimately depends. A rapidly expanding catalog of rights — extending to trees, animals, smokers, nonsmokers, consumers, and so on — not only multiplies the occasions for collisions, but it risks trivializing core democratic values. A tendency to frame nearly every social controversy in terms of a clash of rights (a woman's right to her own body vs. a fetus' right to life) impedes compromise, mutual understanding, and the discovery of common ground. A penchant for absolute formulations ("I have the right to do whatever I want with my property") promotes unrealistic expectations and ignores both social costs and the rights of others. A near-aphasia concerning responsibilities makes it seem legitimate to accept the benefits of living in a democratic social welfare republic without assuming the corresponding personal and civic obligations.

As various new rights are proclaimed or proposed, the catalog of individual liberties expands without much consideration of the ends to which they are oriented, their relationship to one another, to corresponding responsibilities, or to the general welfare. Converging with the language of psychotherapy, rights talk encourages our all-too-human tendency to place the self at the center of our moral universe. In tandem with consumerism and a normal dislike of inconvenience, it regularly promotes the short-run over the long-term, crisis intervention over preventive measures, and particular interests over the common good. Saturated with rights, political language can no longer perform the important function of facilitating public discussion of the right ordering of our lives together. Just as rights exist for us only through being articulated, other goods are not even available to be considered if they can be brought to expression only with great difficulty, or not at all.[4]

My principal aim in the chapters that follow has been to trace the evolution of our distinctive current rights dialect, and to show how it frequently works against the conditions required for the pursuit of dignified living by free women and men. With stories and examples drawn from disputes over flag-burning, Indian lands, plant closings, criminal penalties for homosexual acts, eminent domain, social welfare, child support, and other areas, I have endeavored to demonstrate how our simplistic rights talk simultaneously reflects and distorts American culture. It captures our devotion to individualism and liberty, but omits our traditions of hospitality and care for the community. In the images of America and Americans that it projects, as well as in the ideals to which it implicitly pays homage, our current rights talk is a verbal caricature of our culture — recognizably ours, but with certain traits wildly out of proportion and with some of our best features omitted.

Our rights-laden political discourse does provide a solution of sorts to the communications problems that beset a heterogeneous nation whose citizens decreasingly share a common history, literature, religion, or customs. But the "solution" has become part of the problem. The legal components of political discourse, like sorcerers' apprentices, have taken on new and mischief-making connotations

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when liberated from their contexts in the speech community of lawyers. (A person has no duty to come to the aid of a "stranger.") With its non-legal tributaries rapidly dwindling, political rhetoric has grown increasingly out of touch with the more complex ways of speaking that Americans employ around the kitchen table, in their schools, workplaces, and in their various communities of memory and mutual aid.

Under these circumstances, what is needed is not the abandonment, but the renewal, of our strong rights tradition. But it is not easy to see how we might develop a public language that would be better suited in complexity and moral seriousness to the bewildering array of difficulties that presently face us as a mature democracy in an increasingly interdependent world. Nor is it readily apparent how the public forum, dominated as it is by images rather than ideas, could be reclaimed for genuine political discourse.

"A political Esperanto without roots in a living cultural tradition would die on the vine."

We cannot, nor would most of us wish to, import some other country's language of rights. Nor can we invent a new rhetoric of rights out of whole cloth. A political Esperanto without roots in a living cultural tradition would die on the vine. Throughout the book, therefore, I have marshalled evidence that Americans do possess several indigenous languages of relationship and responsibility that could help refine our language of rights. In many settings, employing a grammar of cooperative living, American women and men sound better and smarter than our current political discourse makes them out to be. The best resource for renewing our political discourse, therefore, may be the very heterogeneity that drives us to seek a simple, abstract, common language. The ongoing dialogue between freedom and responsibility, individualism and community, present needs and future plans, that takes place daily in a wide variety of American speech communities could help to revitalize our rights tradition as well as our political life.

It is only by overcoming our disdain for politics, however, that we can tap the reserves of wisdom, virtue, and imagination that Americans still display in their varied communities of memory and mutual aid. The prospects for such a project are not especially bright. The energy, skill, and goodwill required to bring a new sort of dialogue into the public square through the barriers of sound-bites, mutual distrust, and the gridlock of special interests would be formidable. Furthermore, the seedbeds of civic virtue (as many political theorists refer to families, religious communities, and other primary social groups) are not in peak condition. The skills of citizenship, not to mention those of statesmanship, have begun to atrophy. It is not at all clear that Americans really desire to engage in a potentially self-correcting dialogue about the ends of political society and the right ordering of our lives together, or that public officials are ready to take the lead by providing the necessary information, example, and opportunities for discussion. No mere "science" of politics will overcome these impediments. But politics, as recent events in Eastern Europe remind us, is also an art — the art of the impossible — and we spurn its transformative dimension at our peril.

NOTES

[1] Michael Oreskes, "Study Finds 'Astonishing' Indifference to Elections," *New York Times*, 6 May 1990, p. 32.

[2] Stephen Knack, "Why We Don't Vote — Or Say 'Thank You,'" *Wall Street Journal*, 31 December 1990, p. 11.

[3] Kiku Adatto's study of presidential campaign news coverage in 1968 and 1988 revealed the alarming fact that "the average 'sound bite,' or bloc of uninterrupted speech, fell from 42.3 seconds for presidential candidates in 1968 to only 9.8 seconds in 1988." *Sound Bite Democracy: Network Evening News Presidential Campaign Coverage, 1968 and 1988* (Research Paper R-2) (Cambridge: John F. Kennedy School of Government, Harvard University, 1990), p. 4.

[4] Charles Taylor, *Sources of the Self: The Making of the Modern Identity* (Cambridge: Harvard University Press, 1989), p. 91.

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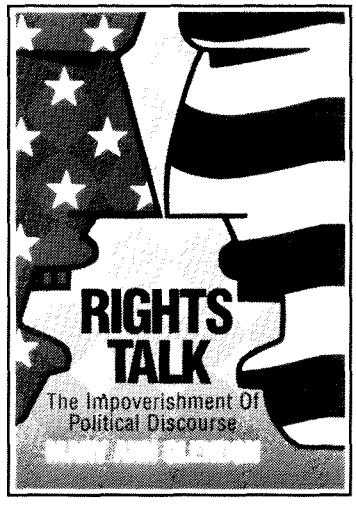

RIGHTS TALK
The Impoverishment of Political Discourse
Mary Ann Glendon,
Harvard University

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At a time when many nations are taking their first faltering steps toward democracy, political speech in the United States is undergoing a crisis—a crisis where genuine debate about matters of high public importance has come to a virtual halt. Glendon argues that American rights talk, which is set apart by its absoluteness, its hyper-individualism, its insularity, and its silence with respect to personal, civic, and collective responsibilities, is a root cause.

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